BOOK-KEEPING

BY

DOUBLE AND SINGLE ENTRY,

WITH

AN APPENDIX ON

PRÉCIS WRITING & INDEXING

DESIGNED FOR

SELF-INSTRUCTION AND FOR USE IN

SCHOOLS & COLLEGES.

ADAPTED EXPRESSLY FOR

THE PREPARATION OF CANDIDATES

FOR

CIVIL SERVICE & TEACHERS' EXAMINATIONS

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PREFACE.

The schools of a country should teach what the pupils will need most to know and practice upon leaving them. The requirements of the age render the knowledge and practice of book-keeping a necessity. In connection with the High and Public Schools there has been an almost universal demand for a work on book-keeping, compact in form, moderate in price, and adapted to the wants of the pupils. To meet this demand the present book was prepared.

Beginning with the elements of the Science of Accounts, the principles are unfolded and applied in a clear, simple, and progressive manner, easy both to learn and to teach. As a book for office reference and for self-instruction in the case of candidates for Civil Service and Teachers' Examinations, this manual will be found most valuable. In its preparation the aim has been to produce a useful book, and since there is little room for originality, except in the form of presentation, the authors have not hesitated to use whatever they have found of value in the best standard books on the subject.

If asked what constitutes the distinguishing features and advantages of the book, they would reply: First, its clearness and simplicity; secondly, it is eminently practical, exemplifying the principles in theory and in use; thirdly, it embraces within a small compass a variety of important subjects, never before found in one volume.

The special thanks of the authors are due to Mr. C. Donovan, of Toronto, who kindly read the proofs of the Appendix on Précis Writing and Indexing, and to Mr. R. T. Walkem, who prepared the chapter upon Commercial Law.

COMMERCIAL ABBREVIATIONS.

THE FOLLOWING ARE THE ABBREVIATIONS COMMONLY USED IN BUSINESS:

A 1, First quality.
Acct., Account.
Acc'nt, Accountant.
Adv., Adventure.
Amt., Amount.
Ans., Answer.
Apr., April.
Aug., August.
Bbls., or Br'ls, Barrels.
Bot., Bought.
Blk., Black.
Brot., Brought.
B. Ex., Bill of Exchange.
Bgs., Bags.
B. L., Bill of Lading.
Bal., Balance.
B. P. B., Bank Pass Book.
B. B., Bill Book.
Bdls., Bundles.
B. Rec., Bills Receivable.
B. Pay., Bills Payable.
Ck. B., Check Book.
Ck., Check.
Cap., Capital.
Certf., Certificate.
C. B., Cash Book.
C. D., Certificate of Deposit
C.O.D., Collect on Delivery
Com., Commission.
Co., Company.
Consgt. B., Consignment Book.
Consgt., Consignment.
Cwt., Hundred Weight.
Chgd., Charged.
Cr., Creditor.
Ckt., Cocket.
Ctg., Cartage.
Cts., Cents.
D., Pence.
Dec., December.
Dr., Debtor.
Doz., Dozen.
D. B., Day Book.
Dep., Deposit.
Ds., Days.
Dft., Draft.
Dis., Discount.
Div., Dividend.
Do., The same.
Dis. B., Discount Book.
E. & O. E., Errors & omissions excepted.
Ea., Each.
Exch., Exchange.
Exp., Expense.
Entd., Entered.
Feb., February.
Fol., Folio.
For'd, Forward.
Frt., Freight.
f. o. b., Free on board.
F. B. E., Foreign Bills of Exchange.
Gal., Gallon.
Gen. L., General Ledger.
G. C. B., General Cash Book
Hdk'f, Handkerchief.
Hhd., Hogshead.
Hund., Hundred.
i. e., That is.
I. B., Invoice Book.
Invty. B., Inventory Book.
Inv., Invoice.
Int., Interest.
Inst., The present month.
Ins., Insurance.
Jan., January.
J. F., Journal Folio.
Leg., Ledger.
L. B., Letter Book.
L. F., Ledger Folio.
L. & G., Loss and Gain.
Lbs., Pounds.
M., Thousand.
Mdse., Merchandise.
Mar., March.
Mftg., Manufacturing.
Mo., Month.
Man., Manifest.
Mem., Memorandum.
N. B., Take notice.
No., Number.
Nov., November.
O. I. B., Outward Invoice Book.
O. L., Old Ledger.
Oz., Ounce.
Oct., October.
O. B., Order Book.
P. C. B., Petty Cash Book.
P. T. C. B., Paying Teller's Cash Book.
Pd., Paid.
P., pp., Page or Pages.
Per, By.
P. B., Pass Book.
Prox., Next month.
Prem., Premium.
Pts., Pints.
Pkg., Package.
Pcs., Pieces.
P. O., Post Office.
Pr. Ct., By the hundred.
Pol., Policy.
Qr., Quarter.
Qt., Quart.
Rec'd, Received.
R. R., Railroad.
Rect., Receipt.
R. B., Receipt Book.
Rec'd Pmt., Received Payment.
S. B., Sales Book.
Sept., September.
Shipt., Shipment.
Sunds., Sundries.
Sgt., Sight.
St., Street.
T., Ton.
T. B., Trial Balance, or Time Book.
Ult., Ultimo, last month.
Viz., namely.
W. B., Way Bill
Wt., Weight.
Yds., Yards.
Yr., Year.

@ At.
% Per Cent.
√ Check Mark.

INTRODUCTORY.

1. ***Book-Keeping*** is a systematic record of business transactions, and is designed to furnish the facts from which the true condition of the business may be ascertained at any time.

2. There are two methods of book-keeping—Single and Double Entry. The one is called Single Entry because each transaction in the Day-Book is entered in the Ledger only once, either on the Debit for Credit side of an account ; the other Double Entry because every transaction in the Day-Book is entered in at least two accounts in the Ledger, once on the Debit and once on the Credit side.

3. ***Debtor***, or ***Dr.***, signifies that the person or thing made Dr. owes us.

4. ***Creditor, or Cr.***, signifies that we owe the person or thing made Cr.

5. ***Resources***, or ***Assets***, embrace whatever we possess, together with all sums owing to us.

6. ***Liabilities*** include all our debts.

ACCOUNTS EXPLAINED.

7. An ***Account***, whether of persons or things, is a statement of the *Debits* and *Credits* resulting from bus[illegible] transactions relating to it. Each Account has two sides—the Dr. or left-hand side, and the Cr. or right-hand side.

8. The ***Titles*** of Accounts (Ledger Headings) are the names by which our Accounts are known.

Personal Accounts bear the names of the persons with whom we do business.

Merchandise is the title employed to represent any kind of goods which we are buying or selling for profit.

Cash is the name under which we keep an account of all money received and paid out.

CLASSIFICATION OF ACCOUNTS.

9. All Accounts arising in business may be classified under two heads:

(1) ***Speculative Accounts***—Those that may show either a gain or a loss, such as Merchandise, Real Estate, etc., etc.

(2) ***Non-Speculative Accounts***—Those that may show either a resource or a liability; they are Cash, Bills Receivable, Bills Payable, Bank and Personal Accounts, etc.

ACCOUNTS ILLUSTRATED.

10. As a proper understanding of the nature and form of an account is very important we will here give a number of examples with exercises which the student should study carefully and work out for himself.

We begin with Personal Accounts, which are kept to show our dealings with other persons and to determine whether we owe them or they owe us. Persons are debited when they become indebted to us or when we pay them anything on account.

They are credited when we become indebted to them or when they pay us anything on account. If the Dr. side be the greater they owe us, and the difference is a resource.

If the Cr. side be the greater we owe them and the difference is a liability.

Transactions for first illustrative example :—

(1) E. Mooers owes us an account, $1,200.
(2) We buy of E. Mooers Mdse. on acct., $950.
(3) He pays us cash on acct., $200.
(4) We sell him a horse, $125.
(5) Sold him goods on acct., $680.
(6) He gave us his note on acct., $250.
(7) We fill his order for $120 worth of Mdse.
(8) Received of him cash on acct., $85.
(9) We close our books and receive his note to balance the account.

The above transactions give rise to the entries with corresponding numbers in the account.

EXAMPLE I.

DR. E. MOOERS. CR.

HE OWES US.				WE OWE HIM.		
1		1200		2		950
4		125		3		200
5		680		6		250
7		120		8		85
				9	By Balance ..	640
		2125				2125

Results—

He owes us	$2,125
We owe him.....	1,485
Difference, or Resource	$ 640

Before the 9th transaction occurred E. Mooers had become indebted to us $2,125, as shown by the Dr. side of his account. He had paid us on acct. $1,485, as shown on the Cr. side. He therefore owes us the difference, $640, which he pays as stated in transaction 9, when the account may be ruled up as shown in example above.

EXERCISE I.—PERSONAL ACCOUNTS.

The student should rule up three separate forms similar to Example I, and use one for each of the persons mentioned in the following exercise. Make the Debit and Credit entries, and find the standing of each of the persons named :

1. R. Finlay owes me $480.
2. I owe H. Kelley $1,200.

3. Sold H. McCormack Mdse. on account, $680.
4. Paid H. Kelley, to apply on acct., $500.
5. Sold R. Finlay on acct., Mdse., $1,500.
6. Received Cash of H. McCormack on acct., $500.
7. Bought Mdse. of H. Kelley on acct., $750.
8. R. Finlay pays me cash on acct., $1,000.
9. Bought Mdse. of H. McCormack on acct., $450.
10. Received of R. Finlay his note on acct., $980.
11. Sold H. Kelley Mdse. on acct., $975.
12. Gave H. McCormack my note on acct., $230.
13. Sold R. Finlay Mdse. on acct., $500.
14. Paid H. McCormack for balance of acct., $40.
15. Sold H. Kelley Mdse. on acct., $1,800.
16. Bought House and Lot of R. Finlay for $5,000; paid cash $2,000 balance on acct.

Results—

Finlay,	Cr., Balance.....	$2,500
H. Kelley, Dr.	"	1,325
H. McCormack, balanced.		

A ***Cash Account*** is kept to show the receipts and payments of money and the amount on hand. All the money received should be entered on the Dr. side of Cash Account, and all the money paid out on the Cr. side. The difference between the two sides will show the amount of Cash on hand.

1. We have on hand $28.
2. We receive $20 from John A. Scott on acct.
3. We sell for cash 80 bushels Corn @ 60c per bus.
4. We buy 30 bus. Wheat @ $1 per bus.
5. We receive payment in full for a note of $55, with $8 interest on the same.
6. We buy one Stove, for which we pay $35.
7. We pay Jas. Peck on acct., $36.50.
8. Jones pays us for a bill of Mdse. bought this day, $18.75.
9. We balance the Cash Acct.

How much Cash have we on hand? Ans., $76.25.

EXAMPLE II.

Dr.		Cash.				Cr.	
1		28		4		30	
2		20		6		35	
3		48		7		36	50
5		63		9		76	25
8		18	75				
		177	75			177	75

Upon examining the account we find that with the amount on hand at the beginning and the four sums received since,—

There has come into our hands $177 75
The three sums paid out together make 101 50

We ought to have on hand the difference..... $ 76 25

We therefore enter on the Cr. side $76.25 in red ink to show that it has not been paid out. The footings of the two sides now agree, and may be ruled off as in the Example.

EXERCISE II.

1. Received into the business as an investment, Cash, $4,500.
2. Received for Mdse. sold, $850.
3. Paid Rent of store, $250.
4. Paid Cash for Mdse., $2,500.
5. Received Cash of R. S. Day on acct., $500.
6. Paid for clerk hire, $75.
7. Received Cash for Mdse. sold, $1,250.
8. Paid E. Watt on acct., $820.
9. Paid Cash to apply on our note, $370.
10. Sold goods for Cash, $1,800.
11. Received of S. Crawford, Cash on his note, $1,200.
12. Paid John Sills on account, $1,000.
13. Paid Clerks' salaries to date, $86.

How much Cash have we on hand? Ans., $4,999.

The student should rule up form, enter the above transactions, and, having found balance of Cash on hand, enter it on Cr. side and rule up the Account.

A Merchandise Account represents any kind of goods which we buy and sell for profit. This account should be debited when the goods are bought, or cost value, and credited when they are sold, or

produce value. When the goods are all sold, if the Credit side of the account be the larger, the excess will be a gain. If the Debit side be the larger it will show a loss. When the goods are not all sold, in order to find the gain or loss an *Inventory must be taken and the present value of the goods on hand must be placed on the Credit side of the account. The difference will then show the gain or loss. The inventory and the closing entry of gain or loss are written in red ink to distinguish them from the business items. Ruling should all be done in red ink.

Business Items—

1. Bought goods of Edwin Thompson on acct., $2,500.
2. Sold goods to Wm. Craig on his note, $1,800.
3. Bought goods for Cash, $1,250.
4. Bought goods of E. Rees on acct., $525.
5. Sold goods for Cash, $850.
6. Bought goods of H. Jack on my note, $975.
7. Sold goods to A. Bajus on acct., $285.50.
8. Sold Jones & Co., for check, goods, $1,230.75.
9. Bought goods of D. H. Whitney on acct., $3,465.25.
10. Bought goods of J. A. Pike on my note, $1,875.80.
11. Sold goods for Cash, $1,448.50.
12. Sold goods to Thos. Allen on acct., $926.30.
13. There remains unsold goods as per inventory, $5,000.

When Merchandise is bought place amount on the Dr. side of the account; when sold, place amount on Cr. side.

EXAMPLE III.

DR. MERCHANDISE. CR.

COST.				PRODUCED.			
1		2500		2		1800	
3		1250		5		850	
4		525		7		285	50
6		975		8		1230	75
9		3465	25	11		1448	50
10		1875	80	12		926	30
14	Gain.....	950		13	Inventory...	5000	
		11541	05			11541	05

*Inventory.—A list in detail with prices of property on hand at any time.

Statement—

Amount sold	$ 6541 05
" on hand	5000 00
Total proceeds.....	$11541 05
" cost	10591 05
Net gain.....	$ 950 00

To the Student: Rule up a Ledger form for the following Exercise and post the items; enter the Inventory on the Cr. side, find your gain and enter it on the Dr. side, then rule up as in the form above.

EXERCISE III.

1. Have goods on hand valued at $5,000.
2. Sold goods to John Rowlands on his note, $1,124.28.
3. Bought goods of Wm. Austen on acct., $8,126.
4. Sold goods to A. O. Allison for Check, $1,431.45.
5. Sold goods for Cash, $934.15.
6. Bought goods of Geo. A. Allen on my note, $765.74.
7. Sold Geo. Anderson on acct. goods, $498.26.
8. Sold goods for Cash, $823.61.
9. Sold W. H. Gordon goods on his note, $1,681.46.
10. Bought goods of W. Kitto on acct., $1,520.10.
11. Goods remaining unsold are worth $4,000.

Results—

Amount sold ... .$	6493 21
" on hand	4000 00
Total proceeds .. ..$	10493 21
" cost	10411 84
Net gain .....$	81 37

Expense Account is the title under which we keep an account of the expenses incurred in conducting a business, such as rent, fuel, gas, taxes. When desired separate accounts may be kept with each branch of expense and closed into Expense Account or Loss and Gain. All such accounts are Dr. for their cost and Cr. for anything sold from

them, but generally they have no credit entry until closing the books for Profit and Loss.

Business Items—

1. Prepaid rent of store with Cash, $200.
2. Bought for Cash set of Blank Books and other stationery, $88.34.
3. Paid gas bill with Cash, $23.18.
4. Paid A. Bureau on acct. of salary, $24.60.
5. Paid for bill of furniture with Cash, $225.
6. Paid Cash for postage stamps, $10.
7. Received Cash for old office desk, $25.
8. Present value of furniture and other items charged to Expense, $200.

EXAMPLE IV.

Dr.		Expense.				Cr.	
		200				25	
		38	34		Inventory	200	
		23	18		Loss & Gain ..	296	12
		24	60				
		225					
		10					
		521	12			521	12

Statement—

Total cost	$521 12
Amount produced	225 00
Difference, or Loss	$296 12

To the Student: Rule up Ledger account for the following transactions, and post as above. Enter the Inventory and Loss or Gain in red ink and rule up.

EXERCISE IV.

1. Paid one quarter's rent of store with Cash, $150.
2. Bought 5 tons of coal for store, $35.
3. Paid Cash for desk and chairs, $55.
4. Received Cash for one letter press and copying book, $12.50.
5. Paid clerks one month's salary, $60.
6. Paid for advertising, $15.40.
7. Received Cash for use of half the store, $15.
8. Value of property now on hand, charged to expense, $125.

How much is the net loss? Ans., $162.90.

Proprietor's or Stock Account.—The Proprietor is the person who owns and conducts the business. He is credited for the amount invested at the beginning or during the business, and for his net gain when the books are closed. He is debited for his liabilities on commencing business, and for all amounts withdrawn for private use during the business, also for the net loss, if there be any, at closing. Sometimes the title "Stock" is used instead of the proprietor's name. We would prefer to have the student use his own name for the Ledger title in place of either proprietor or stock.

Business Items—

1. Student invests Cash, $5,000.
2. He owes on a note, favor of R. D. Brough, $500.
3. He withdraws Cash for private expenses, $75.
4. When the books are closed his net gain is $850.

EXAMPLE V.

DR. STUDENT. CR.

LIABILITIES AND LOSSES.			INVESTMENTS AND GAINS.		
2		500	1		5000
3		75	4	Gain	850
*	Present Worth	5275	*		
		5850			5850
				Balance	5275

Statement—

Investment	$5000
Gain	850
	$5850
Liabilities and Losses	575
Present worth	$5275

After closing the present worth may be brought down upon the Cr. side, to which it properly belongs for the continuation of the business, as shown above.

EXERCISE V.

Rule form for the following transactions. Post and close as above :—

1. Student invests Cash, $2,725 ; Mdse., $3,000.

2. He owes Geo. A. Allen on acct., $62.50.
3. He withdraws Cash for private use, $45.
4. He owes a note in favor of J. P. Byers, $300.
5. Net loss on closing the books is $750.

Notes and Drafts are written obligations to pay certain sums of money, and are divided into two classes. Those that are payable to us are called Bills Receivable. Those that are payable by us to others are called Bills Payable.

Bills Receivable should be Debited when the notes are received into the business, and Credited when they are collected or disposed of. The excess, if any, will appear upon the Dr. side and show a Resource or amount of notes on hand. The Cr. side could not be the larger because we could not dispose of more notes than have been received.

Business Items—

1. Sold Geo. Turner on his note Mdse., $1,600.
2. Received of Israel Taylor his note on acct., $1,240.
3. Bought D. Taggart's note for Cash, $1,800.
4. Received cash to apply on C. Turner's note, $1,200.
5. W. Squires gave me his draft at 10 days on A. Shannon in full of acct., $850.
6. Received cash in full for Israel Taylor's note, $1,240.
7. A. Shannon has paid his draft.
8. Received of D. Taggart Cash to apply on his note, $800.

EXAMPLE VI.

DR. BILLS RECEIVABLE. CR.

NOTES RECEIVED.			DISPOSED OF.		
1		1600	4		1200
2		1240	6		1240
3		1800	7		850
5		850	8		800
			9	By Balance	1400
		5490			5490

Dr. Notes Received..... .....$5490
Cr. " Disposed of 4090

Balance Notes on hand.....$1400

EXERCISE VI.

Bills Payable should be credited when issued or given out, and debited when they are paid or redeemed.

The Cr. side must be the larger, if either, as we could not redeem more notes than we had given out. The excess is a liability.

Business Items—

1. Gave M. Sills our note for Mdse., $1,200.
2. Bought Mdse. of W. H. Jordan on our note, $960.
3. Paid M. Sills Cash to apply on our note, $480.
4. Accepted J. R. Booth's draft at 30 days in full of account, $1,450.
5. Paid balance of our note, favor of M. Sills, $720.
6. Gave C. Dawson our note in full of acct., $1,140.25.
7. Paid W. H. Jordan cash in full for our note, $960.
8. Paid our acceptance, favor of J. R. Booth, $1,450.
9. Gave W. Rae our note in settlement of acct., $1,320.50.

EXAMPLE VII.

DR. BILLS PAYABLE. CR.

REDEEMED.				ISSUED.			
3		480		1		1200	
5		720		2		960	
7		960		4		1450	
8		1450		6		1140	25
9	To Balance.	2460	75			1320	50
		6070	75			6070	75

Issued..... .....$6070 75
Redeemed..... ..... 3610 00

Balance..... $2460 75

EXERCISE VII.

The student will rule up two Ledger Accounts—one for Bills Receivable and one for Bills Payable—and post each of the following transactions to the account to which it belongs, and find the balance of each account.

Business Items—

1. I have on hand the following notes:
   E. Mooer's note for $1,280,
   John May's note for $650,
   Geo. Moore's note for $890.

2. I have the following notes outstanding:
   One in favor of G. H. Mills for $1,680,
   One in favor of H. W. Miller for $1,200,
   One in favor of W. Moran for $675.

3. Sold W. Fell Mdse. on his note, $1,280.

4. Received of John Wilson his note on acct., $1,840.

5. Bought Mdse. of L. A. Fell on our note, $560.

6. Received Cash of E. Mooer on his note, $1,000.

7. Redeemed our note, favor of H. W. Miller, $1,200.

8. Accepted S. Marlatt's draft at 10 days, favor of Thos. Marsh, $678.

9. Geo. Mooer's note has been paid in Cash, $890.

10. Paid G. H. Mills to apply on our note Cash, $1,280.

11. Sold Mdse. and received in payment draft at 30 days on Chas. Meek, $840.

12. Received Cash in full for John May's note, $650.

13. Paid our acceptance in favor of Marsh, $678.

14. John Wilson has paid his note due this day with Cash, $1,340.

15. Paid our note in favor of L. A. Fell, $560.

Balance of Bills Rec. Acct..... .....$2350
" " Pay. " 1075

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11. ***Negotiable Paper*** is that which may be bought and sold and thus have different owners at different times, who shall possess the right of enforcing collection at maturity in their own name. Such paper embraces Notes, Drafts, Bills of Exchange, Acceptances, Certificates of Deposit, Bank Bills and Checks.

12. A ***Promissory Note*** is an absolute promise in writing made by one person to pay a certain sum of money to another person or to his order, or to bearer, at a certain time.

Parties to a Note: 1st, the person who writes the note and signs his name to it, is called the *Maker*; 2nd, the person whose name is written in the body of the note, who is to receive

the money, is called the *Payee*. In the form below, John Deane is the Maker, and W. R. Squires the Payee.

NOTE No. 1.

$240.00 *Toronto, Feb. 3, 1880.*

Thirty days after date I promise to pay W. R. Squires, or order, Two Hundred and Forty Dollars, value received.

John Deane.

No. 1. Due 7 March, '80.

13. A ***Draft*** is an order or request written by one person and directed to another, requesting him to pay a certain sum of money to a third person or his order, or to bearer.

14. Parties to a draft are three. 1st, the Drawer, who makes the draft; 2nd, the Drawee, the one upon whom the draft is drawn; 3rd, the Payee, the one to whom the draft is made payable.

15. ***Acceptance*** is the acknowledgement of the Drawee that he agrees to the conditions named in the Draft. This he does by writing across the face of the Draft, usually in red ink, the word "Accepted," the date, where payable, and his signature.

The Payee has no legal claim against the Drawee until after the Draft has been accepted.

There need only be two parties to a Draft in some cases, as the Drawer may make the Draft payable to himself. In such a case he sends it to the Drawee to be accepted and returned.

Bank Drafts are used in the payment of debts owing to persons in other places to save the actual transmission of the money. All Banks keep money deposited with one or more of the Banks located in the commercial centres of the country, against which they can draw Drafts to be used for remittance to creditors. These Drafts are current as Cash.

FORM OF DRAFT, ACCEPTED.

$100.00 Prescott, Oct. 31a, 1886.

At ten days' sight pay to E. Rees, or order, One Hundred Dollars, value received, and charge the same to my account.

To E. F. Ball, Ottawa, Ont. Amos McDonald.

16. A ***Bill of Exchange*** is another name for a Draft. Such Bills are usually drawn in sets. Each one of the set contains a condition that it shall be payable only so long as the others remain unpaid. When any one of a set is paid the rest are void. The object in drawing them in sets is that they may be sent by separate conveyance, that time may be saved should one or more be lost.

17. A ***Certificate of Deposit*** is a Receipt or Statement given by a Banker for money deposited.

18. A ***Check*** is an order on a Bank or Banker for money, payable to the bearer or to his order.

CHECK No. 1.

$120.00. Kingston, June 9, 86.

Dominion College Bank

Pay to.....Ira Folger,.....or order,

One Hundred and Twenty.....Dollars.

J. B. McKay.

19. A ***Certified Check*** is an order certified to by the Bank, after which the Bank is holden for the face of it.

SINGLE ENTRY BOOK-KEEPING.

SET I.

20. Illustrated by a set of books, showing the method of ascertaining the profits, and of changing Single Entry into Double Entry books.

We give this illustration of book-keeping by Single Entry for the benefit of Mechanics, Farmers, Tradesmen and others who desire only a sufficient knowledge of accounts to keep the books of a small business.

The books used in this set are :

21. The ***Day Book***, which is a complete record of all transactions, written in the order of their occurrence, with full particulars of each.

22. The ***Cash Book***, which shows the receipt and payment of all money.

23. The ***Bill Book***, which is kept to show the particulars regarding Bills Payable and Bills Receivable which you issue and receive. For explanation and for form, see arts. 31 and 32.

24. The ***Ledger***, which contains all the accounts under which the Debits and Credits recorded in the Day Book are to be placed. The transferring of these Debits and Credits from the Day Book, and placing each in its proper place under its proper heading in the Ledger, is called posting.

Memoranda of Israel Taylor's Business Transactions during the month of March, to be written up in Single Entry form :

Mar. 1, Israel Taylor commenced the Grocery Business this day, investing as follows :

Cash, $1,200 ;
Mdse. as per Inventory, $2,260 ;
Notes in his favor as per Bill Book, $692.80 ;

D. M. Walker owes him on acct., $86.40;
J. S. Rowland " " $48.20.

He owes as follows:

On notes as per Bill Book, $248;
To James Johnson on acct., $76.80;
To R. Watts, " $64.80.

Mar. 2, Sold W. A. Wilmot, on acct., 20 lbs. Refined Sugar @ 10c, 15 lbs. Japan Tea @ 90c.

" 3, Bought of M. Ryan, on acct., 6 bbls. Brown Sugar (750 lbs.) @ 8½c, 8 sacks Coffee (600 lbs.) @ 15c. Paid Freight and Cartage with Cash, $20.

" 4, Sold Frank Rees 1 box Soda Biscuit (40 lbs.) @ 7c, 3 boxes Cheese (120 lbs.) @ 9c. Received in payment Cash. Paid for Insurance on stock, Cash, $55.

" 5, Bought of Thos. Marsh 20 bbls. Flour, extra fine, @ $6.25. Gave in payment, Cash, $45, balance on acct.

" 6, Bought of Thos. Keenan, on acct., 200 boxes Cheese @ $4.80 per box. Received Cash for sales this day, $98.87.

" 7, Paid John Johnson's order on us in Mdse., $76.80. Bought for Cash, set Blanks and Stationery, $21.25.

" 8, Sold W. Welbanks, for Cash, 2 boxes Cheese @ $5 each, 1 bbl. Flour @ $7.

" 9, Sold Jas. Graham, on acct., 50 bbls. Salt at $1.25.

" 10, Paid Cash for repairs on store, $48.

" 11, Received Cash of W. Kitto for his note, due to-day, $225.

" 12, Sold Thos. Marsh, on acct., 3 chests Japan Tea (140 lbs.) @ 60c, 1 bbl. Brown Sugar (120 lbs.) @ 9c. Cash sales this day, $121.50.

" 13, Paid our note, due this day, with Cash, $120.

" 14, Gave Thos. Keenan our note at one month in settlement of acct. to date.

" 15, Bought of Isaac N. Wilson, Toronto, on acct., 100 bbls. Flour @ $5.50. Paid freight with Cash, $18.40.

Mar. 16, Received of Thos. Marsh his 30 days' note to balance his acct. Received Cash for Sales this day, $81.95.

" 16, Sold Geo. Moore for Cash 3 tubs Butter (240 lbs.) @ 20c.

" 17, M. A. Kemp has this day paid his note in our favor with Cash, $156.

" 18, Sold Thos. Dunlop 50 bbls. Flour @ $6. Received in payment Draft at 10 days' sight on Geo. Hobart for $280, balance on acct. Cash sales, $112.50.

" 19, Paid R. Watt balance of acct. to date with our order on D. M. Walker, $64.30.

" 20, Received of J. S. Rowland Cash in full of acct., $48.20.

" 21, Received of W. C. Kent Cash in full for his note due to-day, $311.80. Received of J. Graham, note at 1 mo. in full of acct.

" 22, Bought for use of stove 3 tons Chestnut Coal at $6.50. Paid with Cash.

" 23, Redeemed our note in favor of J. W. Deane, due this day, with Cash, $128.

" 24, Sold I. N. Wilson on acct., 50 boxes Cheese @ $5.20. Paid gas bill with Cash, $12.50.

" 25, Received of D. M. Walker Cash to balance his account, $22.10.

" 26, Bought of Wm. Austin 20 tubs Butter, 60 lbs. each, @ 18c. Gave in payment order on Dunlop for $70 and balance on acct.

" 27, Gave I. N. Wilson my note at 2 months for $100 to apply on acct. Cash sales this day, $94.

" 28, Paid one month's Rent with Cash, $25.

" 29, Sold N. Ward for Cash 10 bbls. Flour @ $6.50; 2 chests Tea, $12.50 each.

" 30, Bought of John Greenwood 10 boxes Cheese @ $5.20, 12 bbls. Flour @ $6. Gave in payment Cash $50. Balance on acct.

Mar. 31, Paid Clerks for services to date, Cash, $60. Received of Geo. Hobart, Cash, $230 in full for Draft, due this day. Paid W. Austin Cash to balance his acct., $146.

We have this day taken an Inventory and find unsold the following property: —

Mdse. valued at $8,400.

INSTRUCTIONS FOR WRITING UP DAY BOOK.

25. All transactions which affect either the debit or credit of any person's account, instead of being entered directly into the account, as in Example I, page 7, are first recorded in this book.

In making the entry for goods purchased, it is sufficient to say, "Amt. as per Invoice," as you have the Invoice, to which you can refer for details. In entering the sales it is better to put down the items, as you will have no other record of the transaction.

Cash transactions are not entered in the Day Book, but are carried direct to the Cash Book, except those which affect the debit or credit of persons with whom we are keeping accounts, in which case they are entered in both Day Book and Cash Book.

A full description of all Notes and Time Drafts received and given out should be recorded in the Bill Book, as shown in form, art. 32.

26. FORM OF DAY BOOK.

KINGSTON, MARCH 1, 1885.

27	Israel Taylor,	Cr.					
	By Investment as follows :						
	Mdse. as per Inventory		2260				
	Cash on hand		1200				
	Notes as per Bill Book		692	80			
	D. M. Walker on acct.		86	40			
	J. S. Rowland "		48	20	4287	40	
		Dr.					
	To Notes as per Bill Book		248				
	Balance due James Johnson on acct.		76	80			
	" R. Watts "		64	30	389	10	
	"						
27	D. M. Walker,	Dr.					
	To Balance of Acct.				86	40	
	"						
27	J. S. Rowland,	Dr.					
	To Balance of Acct.				48	20	
	"						
27	James Johnson,	Cr.					
	By Balance of Acct.				76	80	
	"						
27	R. Watts,	Cr.					
	By Balance of Acct.				64	30	
	2						
28	W. A. Wilmot,	Dr.					
	To 20 lbs. Refined Sugar @ 10c		2				
	" 15 lbs. Japan Tea @ 90c		13	50	15	50	
	3						
28	M. Ryan,	Cr.					
	By Mdse. as per Invoice				153	75	
	5						
28	Thos. Marsh,	Cr.					
	By Mdse. as per Invoice				125		
		Dr.					
	To Cash on Acct.				45		

FORM OF DAY BOOK.—Continued.

KINGSTON, MARCH 6, 1886.

28	Thos. Keenan,	Cr.					
	By Mdse. per Invoice					960	
	7						
27	James Johnson,	Dr.					
	To order for Mdse.					76	80
	9						
28	James Graham,	Dr.					
	To 50 bbls. Salt @ $1.25					62	50
	12						
28	Thos. Marsh,	Dr.					
	To 140 lbs. Japan Tea @ 60c			84			
	120 lbs. Brown Sugar @ 9c			10	80	94	80
	14						
28	Thos. Keenan,	Dr.					
	To Note at one month to balance Acct.					960	
	15						
29	Isaac N. Wilson,	Cr.					
	By Mdse. as per bill					550	
	16						
28	Thos. Marsh,	Cr.					
	By Note @ 30 days in full of Acct.					14	80
	18						
29	Thos. Dunlop,	Dr.					
	To 50 lbs. Flour @ $6.					300	
	Cr.						
	By order on Geo. Hobart @ 10 days.					230	
	19						
27	Robert Watt,	Dr.					
	To order on D. M. Walker					64	30
	"						
27	D. M. Walker,	Cr.					
	By order as above					64	30

FORM OF DAY BOOK.—Continued.

KINGSTON, March 20, 1885.

27 J. S. Rowlands, Cr.
By Cash in full of Acct. 48 20

21

28 James Graham, Cr.
By Note at 1 month in full of Acct. 62 50

24

29 I. N. Wilson, Dr.
To 50 boxes Cheese @ $5.20 260

25

27 D. M. Walker, Cr.
By Cash in full of Acct. to date 22 10

26

29 Wm. Austen, Cr.
By Mdse. as per Bill 216

Dr.

29 To order on T. Dunlop, 70

"

29 T. Dunlop, Cr.
By order as above 70

27

29 I. N. Wilson, Dr.
To Note @ 2 mos. on Acct. 100

30

29 J. A. Greenwood, Cr.
By Mdse. as per Invoice 124

Dr.

29 To Cash on Acct. 50

31

29 Wm. Austen, Dr.
To Cash in full of acct. to date 146

LEDGER.

27. The Ledger contains all the accounts under which the Debits and Credits recorded in the Day Book are to be placed All the charges against any one person, in the Day Book, are entered in the Ledger under that person's name, on the Dr. side, and on the Cr. side are entered all the credits (if any) in his favor. This gives us a brief statement of our dealings with that person and shows how our account stands with him.

The transferring of these Debits and Credits from the Day Book and placing each under its proper title in the Ledger, is called Posting.

To Post the first entry of your Day Book turn to Israel Taylor's account in your Ledger and on the Cr. or right hand side in the first column, write the date; in the second, the explanation "By Investment;" in the third, the page of the Day Book, where this Entry is found; and in the fourth, the amount for which he is credited. You will now enter on the left hand or Debit side of the account, in the same order, the Date, Explanation, Folio or page of Day Book, and Amount for which he is debited. Then turn to the Day Book and place the page of the Ledger on which this account is found in the left hand column, opposite the Entry. As soon as an entry is posted we should mark in each book the page of the other, to show what entries are posted and for convenience in checking the accounts or making out bills.

The next entry may be posted to the Dr. side of D. M. Walker's account, and so proceed with each entry as you come to it till the whole Day Book is posted.

28.—FORM OF LEDGER.

Dr. ISRAEL TAYLOR. **Dr.**

1885					1885				
Mar	1	To Sundries	23	389 10	Mar	1	By Investment	23	4287 40

Dr. D. M. WALKER. **Cr.**

1885					1885				
Mar	1	To Balance	23	86 40	Mar		By R. Watt	24	64 30
							" Cash	25	22 10
				86 40					86 40

Dr. J. S. ROWLAND. **Cr.**

1885					1885				
Mar	1	To Balance	23	48 20	Mar	20	By Cash	25	48 20

Dr. JAMES JOHNSON. **Cr.**

1885					1885				
Mar	7	To Mdse.	24	76 80	Mar	1	By Balance	23	76 80

Dr. R. WATTS. **Cr.**

1885					1885				
Mar	19	To D. M. Walker	24	64 30	Mar	1	By Balance	23	64 30

FORM OF LEDGER.—Continued.

Dr. W. A. Wilmot. Cr.

1885 Mar 2 To Mdse.	23	15 50			

Dr. M. Ryan. Cr.

			1885 Mar 3 By Mdse.	23	153 75

Dr. Thomas Marsh. Cr.

1885 Mar 5 To Cash	23	45	1885 Mar 5 By Mdse.	23	125
12 " Mdse.	24	94 80	" Bills Rec.	24	14 80
		139 80			139 80

Dr. Thomas Keenan. Cr.

1885 Mar 14 To Bills Pay.	24	960	1885 Mar 6 By Mdse.	24	960

Dr. Jas. Graham. Cr.

1885 Mar 9 To Mdse.	24	62 50	1885 Mar 21 By Bills Rec.	25	62 50

FORM OF LEDGER.—Continued.

Dr. THOMAS DUNLOP. **Cr.**

1885				1885			
Mar 18	To Mdse.	24	300	Mar 26	By Bills Rec.	24	230
				26	" W. Austin	25	70
			300				300

Dr. ISAAC N. WILSON. **Cr.**

1885				1885			
Mar 24	To Mdse.	25	260	Mar 14	By Mdse.	24	550
27	" Bills Pay.	25	100				

Dr. W. AUSTEN. **Cr.**

1885				1885			
Mar 26	To T. Dunlop	25	70	Mar 26	By Mdse.	25	216
31	" Cash	25	146				
			216				216

Dr. J. A. GREENWOOD. **Cr.**

1885				1885			
Mar 30	To Cash	25	50	Mar 30	By Mdse.	25	124

The accounts which are settled should be balanced, on the Ledger at the time of settlement without waiting till the whole Day Book is posted.

In actual practice the accounts are not closed till they are settled unless the Ledger is full and a new one to be opened.

CASH.

Dr. CASH RECEIPTS.

1885					
Mar	1	To Israel Taylor,	*Investment	1200	
	4	" Mdse.,	Sold Frank Rees	13 60	
	6	" Mdse.,	Petty sales	98 37	
					1311 97
					1311 97
Mar	7		Balance		1191 97
	8	To Mdse.,	Sold W. Welbanks	17	
	11	" Bills Receivable,	Kitto's Note	225	
	12	" Mdse.,	Petty sales	121 50	
					363 50
					1555 47
Mar	13		Balance		1486 22
	16	To Mdse.,	Petty sales	81 95	
	"	" "	Sold G. Moore	48	
	17	" Bills Receivable,	M. A. Kemp	156	
	18	" Mdse.,	Petty sales	112 50	
	19	" J. S. Rowlands,	In full of acct.	48 20	
	21	" Bills Receivable,	W. C. Kent	311 80	
					758 45
					2244 67
Mar	25		Balance		1951 27
	"	To D. M. Walker,	In full of acct.	22 10	
	27	" Mdse.,	Petty sales	94	
	29	" "	Sold N. Ward	90	
	31	" Bills Receivable,	Geo. Hobart	230	
					436 10
					2387 37

29. The Cash Book, as stated in Article 22, should contain a record of all Cash received and paid in conducting a business.

It should be balanced once a week, or every day if the business requires it.

* The Explanation should be written one-third smaller.

CASH.

CASH PAYMENTS. Cr.

1885					
Mar	3	By Mdse.,	Paid freight	20	
	4	" Insurance,	On Stock	55	
	5	" Mdse.,	Bought of T. Marsh	45	
					120
	6	" Balance,	Cash on hand		1191 97
					1311 97
Mar	7	To Expense,	Bought Stationery and Books	21 25	
	10	" "	Paid for repairs on Store	48	
					69 25
	12	" Balance,	Cash on hand		1486 22
					1555 47
Mar	13	By Bills Payable,	Favor Kerr	120	
	15	" Mdse.,	Paid Freight	13 40	
	22	" Expense,	Bought Coal, for stove	19 50	
	23	" Bills Payable,	J. W. Deane's	128	
	24	" Expense,	Paid Gas Bill	12 50	
					293 40
	24	" Balance,	Cash on hand		1951 27
					2244 67
Mar	28	Expense,	Paid Rent	25	
	30	By Mdse.,	Bought of J. A. Greenwood	50	
	31	" By Expense,	Paid Salary	60	
	"	" W. Austen,	In full of acct.	146	
					281
	31	" Balance,	Cash on hand		2106 37
					2387 37

To balance this account find the amount received as shown by the Dr. side and the amount paid as shown by the Cr. side. The difference should agree with the Cash on hand. Enter this balance in red ink on the Cr. side, and after ruling up as shown in form, bring the balance down to the Dr. side, which was the larger before closing, and continue the account as before.

31.—FORM OF BILL BOOK.

BILLS RECEIVABLE.

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	For What Received.	Where Payable.	Time.	When Due.	Am't.	Remarks.
1	Jan 8	W. M. Koen	W. H. Kitto	W. M. Koen	Mdse.	His Office	63 d'ys	Mar 11	225	Received cash, March 11
2	Dec 14	T. Dunlop	M. A. Kemp	I. Taylor	On Acct.	"	93 "	" 17	156	" " 17
5	Feb 18	Stephen Kidd	W. C. Kent	"	"	"	33 "	" 21	311 80	" " 21
8	Mar 21	Wm. Ray	Jas. Graham	"	Mdse.	"	33 "	Ap'l 24	62 50	
10	" 16	S. J. Chapman	T. Marsh	"	"	"	33 "	" 19	14 80	
11	" 18	T. Dunlop	Geo. Hobart	"	"	"	13 "	Mar 31	230	Received cash, March 31

BILLS PAYABLE.

No.	When Given	Drawer or Endorser.	Drawee or Maker.	In Whose Favor.	For What Given.	Where Payable.	Time.	When Due.	Am't.	Remarks.
3	Oct. 10	T. Keenan	I. Taylor	J. Kerr	On Acct.	My Office	5 mos	Mar 13	120	Paid with cash, Mar. 13
4	Dec 20	A. L. Davis	"	J. W. Deane	"	"	3 "	" 23	128	" " 23
5	Mar 14	R. S. Day	"	T. Keenan	"	"	1 "	Ap'l 17	960	
6	" 27	J. Hackett	"	I. N. Wilson	"	"	2 "	M'y 30	100	

BILL BOOK EXPLAINED.

32. When another man's Note or Acceptance comes into our hands it is entered with all the particulars required in the Bills Receivable book. When our own Note or Acceptance is given out it is entered in the same way in the Bills Payable book. We thus have a complete record of all Bills we handle, and by reference to this book we can see what Bills we hold and when they are due, also what Bills are out and when they must be paid. The space under "Remarks" should be filled as Bills are paid or disposed of. The Headings of these books will further explain their use and the manner of entering Notes or Bills.

You will notice that the Bills entered in the forms on the opposite page belong to the preceding set; hence the Notes yet on hand and the Notes unpaid as shown here will agree with balance of Bills Receivable and Bills Payable in statement, page 34.

STATEMENT OF RESULTS.

33. The net gain or net loss of the business may be determined thus: First, ascertain the Present Worth by finding the difference between the Resources and Liabilities. If this Present Worth be greater than the original investment, the difference shows the net gain; if it be less, the difference is the net loss. In making out the Statement of Resources and Liabilities, the standing of Personal Accounts only can be obtained from the Ledger. The amount of cash on hand will be found from the Cash Book; the Resource of Bills Receivable, and the Liability of Bills Payable, from the Bill Book; and the value of unsold goods from the Inventory.

FORM OF STATEMENT OF RESULTS.

	RESOURCES.				
	Mdse. unsold, as per inventory	3400			
	Cash, as per Cash Book	2106	37		
	Bills Receivable, as per Bill Book	77	30		
	W. A. Wilmot owes on acct.	15	50		
	Total Resources			5599	17
	LIABILITIES.				
	Bills Payable, as per Bill Book	1060			
	Due M. Ryan on acct.	153	75		
	" I. N. Wilson on acct.	190			
	" J. A. Greenwood on acct.	74			
	Total Liabilities			1477	75
	I. Taylor's Present Worth			4121	42
	" Net Investment			3898	30
	" Net Gain			223	12

TO CHANGE FROM SINGLE TO DOUBLE ENTRY.

84. The distinguishing feature of Single Entry is that personal accounts only are kept in the Ledger. If the same Ledger be used, it is apparent that to change it to Double Entry such additional accounts must be opened as will enable us to exhibit all the Resources and Liabilities of the business, as shown by the above Statement, viz.: Merchandise, Cash, Bills Receivable and Bills Payable accounts. Then, if you credit the proprietor's account with his net gain, your Ledger should be in balance, and you may proceed with the work by Double Entry.

If in changing from Single to Double Entry you wish to open up a new Ledger, it is only necessary to close up the Single Entry books. Take off a statement as is here done, open your Day Book with a list of the Resources and Liabilities, and make a Journal entry, debiting the Resources and crediting the Liabilities, and credit proprietor's account (or partners' if it be a firm) for the difference between them.

To more fully illustrate this subject, we use the Resources and Liabilities shown in the above statement as the foundation for a business in Set IV.

MATERIAL FOR SHORT SETS.

The Student will write up a Day-Book and Ledger for each set, and make out a statement showing the condition of the business, proprietor's net worth, and the net gain or loss. See form, Art. 88.

These transactions will be found especially useful for drill exercises or examination tests, and may be written up by Double or Single Entry.

EXAMPLE I.

Carting Business.

Student commenced business 1st July, 1879, with a cash capital of $5,000. Bought for cash 4 horses and equipments, $800. Paid Cash for rent of stable one month, $25.

July 8.—Received Cash for cartage during the week, $75. Work done on acct., viz., for W. A. Miller, $10; J. L. Hunt, $15; H. F. Wilmot, $12. Paid workmen's wages, $35.75.

" 15.—Paid Cash for horse-shoeing, $7; for repairing carts and harness, $3.75. Received Cash for carting during the week, $88.75. Work done on acct., H. F. Wilmot, $10; Wm. Taylor, $17; J. L. Hunt, $3; C. E. Cady, $5.75. Paid workmen, $29.50.

" 22.—Received Cash for drayage during the week, $85. Work done on acct., H. F. Wilmot, $15; W. A. Miller, $17.50; C. Welbanks, $18. Received Cash, W. A. Miller on acct., $18; H. F. Wilmot, $27; J. L. Hunt, in full of acct.

Horses, carts and equipments valued at cost.

Net Capital	$5,266
Net Gain	266

Ledger Headings 8 lines each.

EXAMPLE II.

Dry Goods Business.

Sept. 1, 1879.—Student began business with a cash capital of $1,000. Paid for repairing store, $75. Bought goods of B. White on acct. amounting per Invoice to $2,517.

Sept. 5.—Sold Mdse to M. Sills, Perth, on acct., for $175; to D. Kerr, city, for Cash, $210.30; to Philip Haffner on his note @ 30 days, $412.75.

" 12.—Paid one month's rent of store in Cash, $100. Paid employees for services to date, $50. Sold Mdse. to John H. Hunter on acct., $317.25. Received from M. Sills, Perth, goods returned, not being the kind ordered, for which we credit him $25.

" 30.—Settled with John H. Hunter for his indebtedness, accepting a compromise of 75 per cent.; cash received in full settlement of acct., $——; lost the balance, $——. Paid cash for petty expenses, $17.50. Paid B. White cash on acct., $500. Sold Mdse. for check, $375.

Mdse. unsold, valued at.....	$1584 72
Net Gain.	211 21
Present Net Worth	1211 21

Ledger Headings, each 5 lines.

EXAMPLE III.

Retail Grocery Business.

Oct. 1, 1879.—Student commenced business with Mdse. on hand valued at $500. Bought of Fred Scott, bill of Mdse. as per invoice, $300; gave in payment order on R. J. Bushell for $101, balance on acct.

Oct. 2.—Sold Robert Simpson, on acct., 10 lbs. Rio Coffee @ 12c, 1 lb. best Black Tea, $1; 25 lbs. Sugar @ 12c. Sold Jas. Johnson, on acct., 1 box Raisins, 25 lbs., at 20c. Sold H. A. Dunlop, on acct., 1 gal. Vinegar, 75c; 3 lbs. Black Tea @ 75c; 4 bus. Apples @ $1.

" 3.—Sold J. W. Deane, on acct., 50 lbs. Ham @ 11c; 1 box Herrings, $2; received cash on acct., $5.

" 4.—Sold M. Doran, on acct., 1 bbl. Flour, $8. Sold A. Cannem on acct., 5 gals. Cider Vinegar @ 75c; 3 bus. Potatoes @ $1 per bus.

" 5.—Sold Thos. Clearey, on acct., 6 gals. Molasses @ 75c; 50 lbs. Sugar @ 12c; 12 lbs. Coffee @ 11c.

Oct. 6.—Sold J. Coon, on acct., 1 bbl. Mess Pork, $11; 8 boxes Sugar, each 500 lbs., @ 6c.

" 8.—Sold Jas. Sweeney, on acct., 100 lbs. Loaf Sugar @ 9c; 50 lbs. Crushed Sugar @ 8c; 3 hhds. Molasses @ $20 each.

" 10.—Sold F. Clark, on acct., 1 tierce Rice, 1,800 lbs., @ 3c.

Mdse. unsold, valued at..... ....$	580 00
Net gain.....	59 27
Present Net Worth	559 27

Ledger Headings, each 5 lines.

EXAMPLE IV.

Retail Grocery Business.

Nov. 1, 1879.—Student commenced business with Mdse. as per inventory, $180; Cash, $400. Sold John Brown, on acct., 5 bbls. Flour at $10. Sold A. Bureau 25 lbs. Coffee @ 10c; 100 lbs. Japan Tea @ 75c; received Cash on acct., $25.

Nov. 2.—Bought of T. Vanorder, on acct., 50 bus. Winter Apples @ 50c; 100 bus. Early Rose Potatoes @ $2.50.

" 3.—Sold R. J. Bushell, on acct., 3 bbls. Flour @ $8.50.

" 4.—Sold Geo. Baker, on acct., 5 bbls. Potatoes @ $2.75; 2 bbls. Apples @ $3.

" 5.—Paid T. Vanorder, on acct., Cash, $100. Received of Geo. Baker Cash in full of Acct., $——.

" 6.—Bought of I. N. Wilson, on acct., 5 bbls. Mess Pork @ $18.75 each.

" 7.—Sold Geo. Anderson, on acct., 2 bbls. Mess Pork @ $20 each

" 8.—Sold Wallace Welbanks, on acct., 10 lbs. Japan Tea @ 97c; 100 lbs. Sugar @ 12c; 25 lbs. Coffee @ 31c.

" 9.—Sold G. E. Bell, on acct., 3 firkins Prime State Butter, 210 lbs., @ 33c; received Cash on acct. of same, $50.

" 10.—Sold H. C. Miller, on acct., 3 boxes Laundry Soap, 283 lbs., @ 9c.

" 11.—Received of Wallace Welbanks Cash in full of acct., $——.

Nov. 12.—Sold M. Baird, on acct., 10 boxes Florida Oranges @ $5.25 each. Paid T. Vanorder Cash on acct., $100.

Mdse. unsold as per Inventory	$300 00
Net Gain	140 72
Net Capital	720 72

EXAMPLE V.

[Student should make out from these items, Statements corresponding with that on page 34.]

A merchant commenced business with a capital of $5,000. At the end of the year his books show the following facts: Amount of cash received, $15,000; amount paid out, $10,500. A's account stands Dr. $1,500, Cr. $1,000; B's account stands Dr. $4,000, Cr. $3,500; C's account stands Dr. $975, Cr. $450; D's account stands Dr. $438.75, Cr. $300; E's account stands Cr. $1,500; Mdse. on hand per Inventory, $2,750.

Required—The Net Gain and present Net Capital.

EXAMPLE VI.

A. Bajus and E. Mooers commence business with the following Resources: Cash, $3,000; Notes, $1,500; Mdse., $3,500; Real Estate, $10,000; due them on personal accounts, $12,500. At the end of six months their books show the following Resources and Liabilities: Cash on hand, $1,500; cash in bank, $4,000; Bills Receivable, $3,500; Mdse. unsold, $3,750; Real Estate, $15,000; due them on personal accounts, $5,000; amount owed by the firm on notes, $750; on personal accounts, $1,500.

Required—The Net Gain.
The Net Capital at commencement.
" " " " time of closing.

EXAMPLE VII.

E. Rees and F. Rees enter into copartnership on equal terms, each investing at commencement $10,000, and each withdrawing during the business $1,500. At the close of the year the condition of affairs as shown by their books is: Cash on hand,

$500; balance in bank, $7,000; due them on personal accts., $5,783.75, of which $875 is worthless; due them on notes, $6,750; Mdse. on hand, $2,700; Real Estate, $5,000; Bank Stock, $3,500. They owe on personal accts. $10,000; on notes, $5,600. Have they gained or lost in business and how much? What is each partner's net capital at closing?

QUESTIONS.

1. What is Book-Keeping? [1]
2. How many systems of Book-Keeping are there? [2]
3. How are the two Systems distinguished? [2]
4. What is the meaning of the word Debtor? [3]
5. What is the meaning of the word Creditor? [4]
6. What are Resources? [5]
7. What are Liabilities? [6]
8. What is an Account? [7]
9. Explain "Ledger Headings" or "Title of Accounts." [8]
10. How may Accounts be classified? [9]
11. Define Speculative Accounts. [9] Give examples.
12. Define Non-Speculative Accounts. [9] Give examples.
13. Explain Personal Accounts. [10]
14. When are Personal Accounts debited and when credited? [10]
15. What do Personal Accounts closing "To Balance" represent? [10] "By Balance"? [10]
16. Explain the term Cash Account. [10]
17. When is Cash debited? [10] When credited? [10]
18. How will Cash Account close? [10]
19. What will the Balance represent? [10]
20. Explain Mdse. Account. [10]
21. When is it debited? [10] When credited? [10]
22. How will Mdse. Account close goods all sold? [10]
23. Explain the term Inventory. [10]
24. What is done with any unsold goods at time of closing? [10]

25. What is an Expense Account ? [10]
26. How do you close an Expense Account ? [10]
27. What account shows the amount of Capital in business ? [10]
28. When do you Debit the Proprietor's Account ? [10]
29. When do you Credit the Proprietor's Account ? [10]
30. What does the Balance show ? [10]
31. What does Bills Receivable Account represent ? [10]
32. When is Bills Receivable debited ? [10] When credited ? [10]
33. How will this account close ? [10]
34. What does the balance represent ? [10]
35. What does Bills Payable Account represent ? [10]
36. When is Bills Payable credited ? [10] When debited ? [10]
37. How will this account close ? [10]
38. What does the balance represent ? [10]
39. Explain Negotiable Paper. [11]
40. What are the principal kinds in common use ? [11]
41. What is a Promissory Note ? [12]
42. How many parties to a note ? What are they called ? [12]
43. What is a Draft ? [13]
44. How many parties to a Draft ? What are they called ? [14]
45. Explain the term Acceptance. [15]
46. What is a Bill of Exchange ? [16]
47. What is a Certificate of Deposit ? [17]
48. What is a Check ? [18]
49. What is a Certified Check ? [19]
50. What are the principal books used in Single Entry Book-Keeping ? [20]
51. Explain the Day Book. [21]
52. Explain the Cash Book. [22]
53. Explain the Bill Book. [23]
54. Explain the Ledger. [24]
55. How do you find the Proprietor's Net Worth in Single Entry ? [33]
56. How do you find the Net Gain or Loss for any period ? [33]
57. How do you proceed, to change Single to Double Entry ? [34]

PART II.

DOUBLE ENTRY.

DOUBLE ENTRY.

INTRODUCTORY.

35. The term ***Double Entry*** has reference to the fact that for every transaction two or more entries are made in the Ledger, the arrangement of these entries being such as will produce on the Ledger equal debits and credits. This principle of "Equal Debits and Credits" is the leading feature of Double Entry.

36. The chief points of difference between Single and Double Entry are:

(1) In Single Entry Personal Accounts only are recorded in the Ledger; in Double Entry accounts are kept not only with persons, but with all kinds of property.

(2) In Single Entry a record is kept of Resources and Liabilities; in Double Entry a similar and additional record is kept of Gains and Losses.

(3) In Single Entry each transaction is entered to but one account in the Ledger; in Double Entry each transaction is entered in at least two accounts in the Ledger.

37. The advantages of the Double Entry system are:

(1) It is a more complete record of your business.

(2) The fact of every Debit having its corresponding Credit creates a safeguard against mistakes.

(3) It shows wherein your Gains and Losses arise, thus furnishing a guide in the management of your business.

38. The principal books used in Double Entry are the Day Book, Journal and Ledger.

THE DAY BOOK.

39. The ***Day Book*** is a history of business transactions, with the date and in the order of their occurrence. The entry should be a plain statement of all the essential particulars of the transaction, in brief language that may be easily understood.

SET II.—DAY BOOK.

1 APRIL, 1886.

A. Davis has this day commenced the Flour and Feed Business at 122 King Street, Brockville, with a cash investment of		6000
In journalizing this transaction we make Cash Dr. because Cash has been received into the business. A. Davis is Credit because the Cash has been received from him.		
2		
Bought of Wm. Briggs for Cash, 100 bbls. Flour @ $7		700
In journalizing this transaction we Dr. the Mdse. because it cost valve and is received into the business, and we Cr. Cash that is paid out.		
3		
Sold A. Bajus on acct., 50 bbls. Flour @ $8		400
In journalizing the above we Dr. Bajus because he has cost us the Mdse. and owes us for the amount of purchase. We Cr. Mdse. because we have given it out and it has produced us value in the shape of an account against A. Bajus.		
4		
Bought of J. A. Baird on acct., 1,000 bus. Barley @ 50c		500
In journalizing the above transaction we Dr. Mdse. because it cost value and is received into the business, and we Cr. J. A. Baird because we still owe him for the Mdse. which he has produced to the business.		
5		
Sold W. D. Ward on his Note at 10 days,		
50 bbls. Flour @ $8.50,	$425	
200 bus. Barley @ 60c	120	
		545
In journalizing the above make Bills Rec. Dr., having cost us the Mdse., and Cr. Mdse. because you have parted with it.		
6		
Bought of L. A. Fell on my Note, No. 10, at 30 days, 2,000 bus. Wheat @ $1		2000
In journalizing the above we Debit Mdse. because it has cost us value, and Credit Bills Payable because we have parted with our Note and it produced value.		

DAY BOOK.—Continued.

APRIL 8, 1886.

Sold Frank Phillips, on acct.,		
100 bus. Bus. Barley @ 65c,	$ 65	
200 bus. Wheat @ $1.25,	250	315
For the above transaction we make the same Journal entry and for the same reason as in No. 3, except that we Dr. Frank Phillips instead of Bajus.		
9		
Sold Chas. Mitchell, for cash,		
600 bus. Barley @ 65c		390
In journalizing the above, make Cash Dr. because we have received Cash, and Cr. Mdse. because we sold Mdse. and it produced value in Cash.		
12		
Received Cash of A. Bajus on acct.,		250
In journalizing this, we make Cash Dr. because we have received it, and Cr. Bajus because he has paid us and produced value in Cash.		
13		
Bought of Geo. Allen, on acct.,		
1,000 bus. Barley @ 50c		500
For the above transaction we make the same Journal entry and for the same reason as in entry No. 4, except that we Cr. G. Allen instead of Baird.		
14		
Paid Cash,		
For Office Furniture,	$ 60	
For one Safe,	115	175
In journalizing this, make Expense Dr. because it cost us value, and Cr. Cash because we have parted with it.		
15		
Bought of Jas. Johnson, on my note at 20 days,		
600 bbls. Flour @ $5		3000
In journalizing the above, make same entry as in No. 6.		

DAY BOOK.—Continued.

APRIL 18, 1886.

W. D. Ward paid Cash for his note, due to-day,	$	545
In journalizing this, make Cash Dr. because we received Cash, and Cr. Bills Receivable. You always Cr. Bills Receivable when you collect or otherwise dispose of another's Note or Time Draft.		
19		
Paid J. A. Baird Cash on acct.,		800
In journalizing the above, make J. A. Baird Dr. because we have paid him, and make Cash Cr. because we have parted with Cash.		
23		
Sold R. S. Wright, on his note at 60 days, 500 bus. Barley @ 65c		325
Make the same journal entry as in No. 5.		
26		
Paid my Note due to-day, favor of L. A. Fell, in Cash,		2000
In journalizing the above, make Bills Payable Dr. because we have paid our Note, and it has cost us value. Cr. Cash because we have parted with it.		
30		
Paid one month's rent of store, Cash,		50
In journalizing the above, we make Store Expense Dr. because it cost us value, and make Cash Cr. because we paid it out.		
"		
I have this day taken an Inventory, and find unsold the following property:		
600 bbls. Flour @ $5,	$3000	
1,800 bus. Wheat @ $1,	1800	
600 bus. Barley @ 50c,	300	
	$5100	
Office Furniture and Safe,	175	
Less 20 per cent.,	35	
	140	
Total Inventory,	$5240	

JOURNAL, SET II.

41. The ***Journal*** is a book in which to arrange the Debits and Credits taken from the Day Book, in a convenient form for transferring to the Ledger.

Deciding upon and arranging the Debits and Credits in the Journal is called journalizing.

The Day Book and Journal may be combined by writing the particulars of the transaction in connection with the journal entry. The Journal may be dispensed with, and the posting done directly from the book of original entry to the Ledger, but for the sake of convenience and accuracy it is retained in use.

There are different forms of Journal in use. The most common is ruled with double columns for Debit and Credit; these columns may be increased in number, and are often used with advantage.

42.—RULES FOR JOURNALIZING.

General Rule.—Debit whatever costs value, or the thing received; Credit whatever produces value, or the thing parted with.

The Proprietor is Credited with all Investments and with his Net Gain at the time of closing. He is Debited for his Liabilities brought into the business, for all sums withdrawn, and for Net Loss at time of closing.

Cash is Debited when you receive Coin, Currency, Bank Bills, Bank Drafts, Certificates of Deposit, and Checks, or Sight Drafts in your favor; Credited when you pay out or part with any of these.

Bills Receivable.—Debit when you receive another person's Note or Time Draft; Credit when you collect or otherwise dispose of another person's Note or Time Draft.

Bills Payable.—Credit when you give your Note or accept a Time Draft; Debit when you pay your Note or Acceptance.

Merchandise.—Debit for its cost when it is bought; Credit for what it produces when it is sold or otherwise disposed of.

Personal Accounts.—Debit when a person buys of you on account, or when you pay a person; Credit when you buy of a person on account, or when a person pays you.

Interest and Discount.—Debit when you pay more for a Bill of Exchange, Draft or Note than its face, or when you part with any of these for less than its face. Credit when you pay less for a Bill of Exchange, Draft or Note than its face, or when you receive more for any of these than its face.

General Principle—Debit when you pay Interest; Credit when you receive Interest.

Expense Account is Debited for items of outlay connected with the business, not charged to any general account, such as Rent, Fuel, Taxes, Gas, etc. It is Credited when anything is produced from that which has been charged to Expense acct.

Drafts.—General Principle—

Debit the person who draws the Draft on you.
Credit " " on whom you draw a Draft.

SPECIAL RULES FOR JOURNALIZING DRAFTS.

DRAWER'S ENTRIES.

When he draws a Draft and remits it to the Payee on acct. { Payee, / To Drawee.

N.B.—His entry is the same whether it be a Time or Sight Draft.

DRAWEE'S ENTRIES.

When he accepts a Time Draft { Drawer. / To Bills Payable.

When he accepts a Sight Draft { Drawer, / To Cash.

PAYEE'S ENTRIES.

When he receives a Time Draft (and has it accepted) { Bills Receivable, / To Drawer.

When he receives a Sight Draft, (and it has been accepted or cashed) { Cash, / To Drawer.

Journalizing.—A proper understanding of the above rules, together with the explanation given at the end of the Day Book, should enable the student to prepare his Journal without further assistance. We have, however, introduced the Journal, with the forms of entry for several transactions, and will leave the student to complete the set.

43.—FORM OF JOURNAL, SET II.

	ACCOUNTS DEBITED.	ACCOUNTS CREDITED.		
51	Cash,		6000	
51	(*Debited when received.*)	To A. L. Davis		6000
		(*Credited for Investm't.*)		
	2			
51	Merchandise,		700	
51	(*Dr. when bought.*)	To Cash		700
		(*Cr. when paid out.*)		
	3			
52	A. Bajus,		400	
51	(*Dr. when he becomes indebted to us.*)	To Mdse.		400
		(*Cr. when sold.*)		
	4			
51	Mdse.,		500	
52	(*Dr when bought.*)	To. J. A. Baird		500
		(*Cr. when we become indebted to him.*)		
	5			
51	Bills Receivable,		545	
51	(*Dr. when received.*)	To Mdse.		545
		(*Cr. when sold.*)		
	6			
51	Mdse.,		2000	
51	(*Dr. when bought.*)	To Bills Payable		2000
		(*Cr. when given out.*)		
	8			
52	Frank Phillips,		315	
51	(*Dr. when he becomes indebted to us.*)	To Mdse.		315
		(*Cr. when sold.*)		
	9			
51	Cash,		390	
51	(*Dr. when received.*)	To Mdse.		390
		(*Cr. when sold.*)		
	12			
51	Cash,		250	
52	(*Dr. when received.*)	To A. Bajus		250
		(*Cr. when he pays us on acct.*)		

The student will make out the Journal entries to complete the set.

LEDGER.

44. ***The Ledger*** is the book employed for collecting from the Journal and books of original entry under their respective titles the Debits and Credits belonging to the several accounts arising in one's business.

The transferring of these Debits and Credits and placing each in its proper place under its proper title in the Ledger is called Posting.

45.—DIRECTIONS FOR POSTING.

Having Journalized all the transactions, your next work is to carry them to the Ledger or Post them.

The Ledger is usually opened by placing the Proprietor's Name at the top of the first page, followed by the most prominent accounts. In this set the order will be: A. L. Davis, Cash, Merchandise, Bills Receivable, Bills Payable, A. Bajus, J. A. Baird, Frank Phillips, Geo. Allen, and Store Expense. Under each of these accounts you place all the items that belong to it as found in the Journal, transferring the entries from the Journal to the Ledger in the order they occur.

Our first Journal entry reads—

Cash.....$6,000
To A. L. Davis $6,000

In posting this entry to Cash account in your Ledger and on the Dr. side enter April 1 date column (the explanation column will be left blank in ger), next in the Journal page column enter the page of Journal, and in the amount column enter the amount, $6,000.

Next turn to A. L. Davis' account. On the Cr. side enter April 1 in the date column, the Journal page in its column, and in the amount column the amount, $6,000. In the Journal, opposite the entries, you place the page of the Ledger on which the accounts have been entered.

46—FORM OF LEDGER—SET II.

A. L. DAVIS.

Dr. Date.	Explanation.	Journal Page.		Date.	Explanation.	Journal Page.	Cr.
				1886 Ap'l 1		49	6000

CASH.

1886				1886			
Ap'l 1		49	6000	Ap'l 2		49	700
9		49	390	14			175
12		49	250	19			300
18			545	26			2000
				30			50

MERCHANDISE.

1886				1886			
Ap'l 2		49	700	Ap'l 3		49	400
4		49	500	5		49	545
6		49	2000	8		49	315
13			500	9		49	390
15			3000	23			325

BILLS RECEIVABLE.

1886				1886			
Ap'l 5		49	545	Ap'l 18			545
23			325				

BILLS PAYABLE.

1886				1886			
Ap'l 26			2000	Ap'l 6		49	2000
				15			3000

FORM OF LEDGER—SET II *(Continued).*

A. BAJUS.

Dr. Date.	Explanation.	Journal Page.		Cr. Date.	Explanation.	Journal Page.	
1886 Ap'l 3		49	400	1886 Ap'l 12		49	250

J. A. BAIRD.

1886 Ap'l 10			300	1886 Ap'l 4		49	500

FRANK PHILLIPS.

1886 Ap'l 8		49	315				

GEO. ALLEN.

				1886 Ap'l 13			500

STORE EXPENSE.

1886 Ap'l 14			175				
30			50				

TESTING THE LEDGER.

47. After posting all the transactions to the Ledger, a Trial Balance is taken to test the correctness of our work.

This is done by adding up the items on the Debit side and also on the Credit side, of all the accounts in the Ledger, placing the amounts in light pencil marks, which may be erased when the work is completed. The Debit and Credit footings of the different accounts are carried to the Trial Balance as per form, page 54. When the total footings are equal the test is considered satisfactory.

The Trial Balance, however, is not a conclusive test of the correctness of the Ledger. Errors may exist which do not affect the equality of the Ledger, such as the omission of one or more Journal entries; posting an item on the right side but under the wrong account; reversing an entry, *e.g.*, Mdse. Dr. to Cash when it should be Cash Dr. to Mdse.

DETECTION OF ERRORS.

48. We think the only true way to discover errors in a Trial Balance is by a careful examination of the work from the date of the last Balance. If, however, there be but one error in the work, the following short tests may detect it:—

First—If the error be an even $1, $10, $100, $1,000, etc., check the additions of the Ledger accounts and of the columns of the Trial Balance.

Second—If in your Journal or other books from which you have posted there be an item of the same amount as the error, check the posting of that item.

Third—If in your Journal or other books there is an item one-half the amount of the error, make sure that it has not been posted to the wrong side of the account.

Fourth—If the error be divisible by 9 it may be the result of a transposition of figures; as, 85 written 58. In all such cases the error will be divisible by 9.

If, having applied these tests, you are still unable to discover the error, examine carefully the Journal entries and see that the Debits and Credits are equal. Then see that these Debits and Credits have

been transferred to the Ledger correctly. Each item when examined should be marked thus, ✓, in the Ledger. If, after thus checking the work, you find an item not checked you may conclude that it has been posted twice.

Trial Balances are usually taken in business every month. The oftener Balances are taken the easier it is to find and correct errors.

49.—TRIAL BALANCE—SET II.

Ledger Accounts.	Dr.	Cr.
A. L. Davis		6000
Cash	7185	3225
Merchandise (Inventory $5,100)	6700	1975
Bills Receivable	870	545
Bills Payable	2000	5000
A. Bajus	400	250
J. A. Baird	300	500
Frank Phillips	315	
Geo. Allen		500
Store Expense (Inventory $140)	225	
	17995	17995

STATEMENT OF RESULTS.

50. Having ascertained that the two sides of the Ledger are equal, the Student should next make out a statement showing the results of the business. The Ledger accounts contain all the material necessary to furnish these facts except the value of property on hand. At stated periods, generally once a year, business houses suspend business for several days and make an Inventory of all unsold property—"Take Stock," as it is called. In the present case the Inventory of Merchandise may be found by referring to the purchases and sales recorded in the Day Book. The office furniture and safe charged to Expense Account on the 14th may be Inventoried at cost less 20%.

51.—TEST STATEMENT—SET II.

RESOURCES.			
Cash	3960		
Merchandise	5100		
Bills Receivable	325		
Office Furniture and Safe	140		
A. Bajus	150		
Frank Phillips	315		
Total Resources			9990
LIABILITIES.			
Bills Payable	3000		
J. A. Baird	200		
Geo. Allen	500		
Total Liabilities			3700
Present Net Worth			6290
GAINS.			
Merchandise	375		
Total Gains			375
LOSSES.			
Store Expense	85		
Total Losses			85
Total Net Gain			290
A. L. Davis' Investment	6000		
" " Net Gain	290		
" " Present Worth			6290

The preceding Ledger shows the accounts in their current condition from which the Trial Balance has been taken, and the important facts in relation to the business have been shown in the Test Statement. The Ledger of the Model Set, which follows, will illustrate the closing of these accounts as they are closed in actual business.

SET III.

MODEL DAY BOOK.

Examine this form, noting closely the wording and arrangement of each entry.

The Journal form for this Day Book will be found on pages 65-67.

HECTOR JACK,
241 Brock Street,
Kingston, Ont.

MAY 1, 1886.

Leased of Ira Folger, the store 241 Brock street, Kingston, Ont., at $300 per year, payable monthly in advance, for the purpose of conducting the Produce Business.

"

✓ Capital invested on commencing, Cash 4500
Store and Lot, valued at 500 5000

"

✓ Paid Ira Folger for one month's rent, Cash 25

"

Bought of J. P. Ambler, for Cash
✓ Set of Blank Books, Pens, Ink, &c. 20

"

Bought of Collingwood, Millard & Co., for Cash
✓ 2 tons Chestnut Coal, @ $5.50 11

"

Bought of Wm. Fee, Toronto, for Cash
✓ 100 bbls. Extra Flour, delivered, @ $8.00 800

3

Bought for Cash
1 Office Stove and Pipe 25
1 " Desk and 6 Chairs 20
1 Platform Scale 15
✓ Paid sundry items of expense for store, Cash 2 80 62 80

"

Sold G. F. Davis, Ottawa, Ont., for Cash
✓ 15 bbls. Extra Flour, @ $10.00 150

"

Bought of L. A. Fell, Ottawa, Ont., on acct., at 30 days
500 bus. Wheat @ $1.00 500
✓ Paid freight with Cash 75 575

"

✓ Deposited in Bank of Commerce, Cash 3000

* First page of Day Book

MAY 4, 1886.

	Sold A. F. Ferris, Prescott, Ont., on acct., at 3 months				
	25 bbls. Extra Flour @ $10.50	262	50		
✓	100 bus. Wheat @ 1.37½	137	50	400	
	10				
	Paid C. E. Monfort's bill for repairs, and				
✓	Sign, with Cash			29	
	11				
	Bought of S. G. Barrett, Toronto, for Check No. 1 on Bank of Commerce				
✓	1,000 bus. Western Oats, delivered, @ 25c			250	
	12				
	Sold James Lowe, Perth, Ont., for his Note at 30 days				
✓	30 bbls. Extra Flour @ $9.50			285	
	15				
	Bought of S. B. Fine, Cornwall, Ont., for my Note at 30 days				
	30 bbls. Ashton Salt @ $3.00	90			
✓	Paid freight with Cash	10		100	
	17				
	Sold W. H. Graham, Newburgh, Ont., for his Draft at 30 days' sight on A. Reed, Po'keepsie, N.Y.				
✓	550 bus. Western Oats, f. o. b., @ 40c			220	
	18				
	Accepted L. A. Fell's Draft at 30 days' sight,				
✓	favor of L. F. Bardeen, for			180	
	19				
	Gave my Check No. 2 on Bank of Commerce to D. B. College Insurance Co., for Insurance on my stock of Mdse., (Policy No. 16,840,) for $3,000 @ 1 %	30			
✓	Policy and Survey	1	25	31	25
	20				
	Bought of G. P. Clough, Lyn, Ont., for my Draft at sight, on A. F. Ferris, Prescott, Ont.				
	40 bbls. New Process Flour @ $8.00	320			
✓	Paid freight with Cash	20		340	

MAY 21, 1886.

	Sold A. F. Newlands, Toronto, on acct.		
	30 bbls. Extra Flour @ $10.00	300	
✓	30 " Ashton Salt @ 4.00	120	420
	22		
	Paid my Note, No. 1, favor S. B. Fine, with		
✓	Cash		90
	24		
	Bought from T. L. Woodruff, Toronto, on my Note		
	50 bbls. Family Flour @ $10.00	500	
	18 " XX A " @ 10.00	180	
✓	Paid Freight and Cartage with Cash	20	700
	25		
	Sold Wm. Gardner, Kingston, Ont.		
	50 bbls. Family Flour @ $11.68	584	
	18 " XX A " @ 12.00	216	800
	Received his Check on City Bank, for	500	
✓	And a Sight Exchange on Toronto	300	
	26		
	Received Cash of Jas. Lowe in full for his		
✓	Note of 12th inst., my favor		285
	27		
	Bought of Wm. Elder, Trenton, Ont., on acct.		
	400 bus. Spring Wheat @ $1.00	400	
	400 " Western Oats @ 50c	200	
✓	Paid Freight and Cartage with Check No. 3 on Bank of Commerce	40	640
	28		
	Sold H. Cormack, Napanee, Ont., on acct.		
	30 bbls. New Process Flour @ $9.00	270	
✓	250 bus. Western Oats @ 30c	75	345
	"		
✓	Paid with Cash sundry items of Expense		7
	29		
	Sold W. H. Graham, Newburgh, Ont., for Cash		
	400 bus. Spring Wheat @ $1.50	600	
✓	400 bus. Western Oats @ 62½c	250	850

MAY 30, 1886.

Remitted Wm. Elder, Trenton, Ont., my Check, No. 4, on Bank of Commerce, to apply on acct. 450

"

Paid Cash for cleaning store and other items of Expense 6 75

"

Received of A. F. Ferris Check on City Bank to balance his acct. 80

31

Deposited in Bank of Commerce, Cash 2000

"

Remitted L. A. Fell on acct. my Draft at sight on A. F. Newlands, for 320

I have this day taken an Inventory and find the following unsold Property:—

Real Estate, valued at		$ 700
10 bbls. New Process Flour @ $8	$ 80	
400 bus. Spring Wheat @ $1	400	
200 " Western Oats @ 25c	50	530
Furniture and Fixtures, cost	60	
Less 10 %	6	54
Total Inventory		$1284

ELUCIDATIONS TO MODEL DAY BOOK.

52. MAY 1.—Cash and Real Estate are Dr., and H. Jack is Cr. H. Jack has a claim on the business for his investment, hence we give him Cr.

Dr. Store Expense and Cr. Cash, as all current expenses, such as Rent, Fuel, Taxes, Gas, etc., are properly classified under this head. When desired, separate accounts may be kept with each branch of expense, and closed into Store Expense or Loss and Gain on balancing books.

Dr. Stationery and Cr. Cash. Always Cr. Cash when paid out.

Mdse., having cost value, is Dr., and Cash is Cr.

MAY 3.—Dr. Furniture and Fixtures with property for office and store. Dr. Store Expense for sundry items, and Cr. Cash.

Dr. Cash and Cr. Mdse., for Cash has cost us the Mdse. and Mdse. has produced the Cash.

Dr. Mdse. for cost of wheat and freight, for we have seen that Mdse. is Dr. for all goods bought, and as all freights paid increase the *cost* of Mdse., we must charge Mdse. acct. Cr. L. A. Fell, for he has produced value, and waits on us for payment. Cr. Cash for freight paid.

Dr. Bank of Commerce and Cr. Cash. When Bank account is kept in Ledger, we Dr. Bank for all money deposited and Cr. Bank for all money drawn out. This account is generally kept on stub of Check Book, and will be explained more fully as you advance in the course.

MAY 4.—Dr. Ferris and Cr. Mdse. Ferris has *cost* us the Mdse., and *owes* us for amount of his purchase; the terms of sale are pay in three months.

MAY 10.—Dr. Store Expense and Cr. Cash.

MAY 11.—Dr. Mdse. and Cr. Bank of Commerce, for the Bank pays out money on our order, thus producing value.

MAY 12.—Dr. Bills Rec. and Cr. Mdse. Lowe's written promise to pay is a bill that has *cost* us Mdse. We shall receive payment when due, hence we Dr. Bills Rec.

MAY 15.—Dr. Mdse. and Cr. Bills Pay. and Cash. All our written obligations appear in Ledger under heading Bills Pay. Our note settles for the Mdse. and thus produces value, and we always Cr. Bills Pay. when we give our note.

MAY 17.—A Time Draft in our favor when received is called a Bill Receivable, and we Dr. Bills Rec. acct. for the amount. Mdse, the thing parted with, is Cr. for what it has produced us.

MAY 18.—When you accept a time draft Dr. the Drawer to Bills Pay. To draw on you is to request you to pay, while your accepting is agreeing to do so at the maturity of the paper. You accept a draft by writing "accepted," where payable, your signature, and date, across its face in *red ink*. See form, art. 15.

MAY 19.—Insurance is Dr. for all it *costs* you. Bank of Commerce is Cr.; always Cr. the Bank when you draw on it.

MAY 20.—Mdse. is Dr. and A. F. Ferris and Cash are Cr. Whenever you draw a draft on a person, either at sight or time, give the person Cr.

MAY. 21.—Dr. Newlands and Cr. Mdse. Newlands has cost us the Mdse. and owes us for amt. of his purchase.

MAY 22.—Bills Payable is Dr. and Cash Cr. Whenever you pay your own note or acceptance, you Dr. Bills Payable acct. Cash, having been paid out, is Cr.

MAY 24.—Dr. Mdse. and Cr. Bills Payable and Cash. See explanation No. 15, above.

MAY 25.—Cash is Dr. and Mdse. is Cr. Checks and sight drafts or exchanges (in our favor) when received are always called cash.

MAY 26.—Cash is Dr. and Bills Receivable Cr. Whenever you collect or otherwise dispose of another man's note or acceptance, Cr. Bills Rec. acct. Cash, having been received, is Dr.

MAY 27.—Dr. Mdse. for cost of grain and freight. Cr. Wm. Elder

for value of Mdse., as we owe him for it, and Cr. Bank of Commerce for the freight, because the Bank paid it for us.

MAY 28.—Dr. Cormack, and Cr. Mdse. See Explanation under No. 21.

MAY 29.—Dr. Cash and Cr. Mdse. Cash having been received is Dr., and Mdse. having produced the Cash is Cr.

MAY 30.—Elder is Dr. because you have paid him, and the Bank is Credit because it paid the money for you.

Dr. Store Expense and Credit Cash.

Checks in your favor received are considered Cash. Dr. Cash and Credit Ferris because he has paid his account and ceases to owe you.

MAY 31.—Dr. Bank of Commerce and Credit Cash.

You owe L. A. Fell on account. See 3rd inst.

A. F. Newlands owes you on account. See 21st inst.

You ask Mr. Newlands to pay Fell and charge your account with the amount. Hence you Dr. Fell and Credit Newlands.

SET III.

MODEL JOURNAL.

Study carefully the rules for journalizing as given on pages 47 and 48, and as explained in the elucidations on page 62. Go no further until you thoroughly understand every example.

The Ledger for this Journal will be found on page 70.

HECTOR JACK,
241 Brock Street,
Kingston, Ont.

		MAY 1, 1881.	Dr.		Cr.	
231	Cash,		4500			
234	Real Estate,		500			
231		To Hector Jack			5000	
		"				
232	Store Expense,		25			
231		To Cash			25	
		"				
232	Stationery,		20			
231		To Cash			20	
		"				
232	Store Expense,		11			
231		To Cash			11	
		"				
231	Mdse.,		800			
231		To Cash			800	
		3				
233	Furniture and Fixtures,		60			
232	Store Expense,		2	80		
231		To Cash			62	80
		"				
231	Cash,		150			
231		To Mdse.			150	
		"				
231	Mdse.,		575			
233		To L. A. Fell			500	
231		" Cash			75	
		"				
232	Bank of Commerce,		3000			
231		To Cash			3000	
		4				
233	A. F. Ferris,		400			
231		To Mdse.				
		10				
232	Store Expense,		29			
231		To Cash			29	
			10072	80	10072	80

* First page of Journal.

		MAY 11, 1881.	Dr.	Cr.
231	Mdse.,			
232		To Bank of Commerce	250	250
		12		
231	Bills Rec.,			
231		To Mdse.	285	285
		15		
231	Mdse.,			
232		To Bills Pay.	100	90
231		" Cash		10
		17		
231	Bills Rec.,			
231		To Mdse.	220	220
		18		
233	L. A. Fell,			
232		To Bills Pay.	180	180
		19		
232	Insurance,			
232		To Bank of Commerce	31 25	31 25
		20		
231	Mdse.,			
233		To A. F. Ferris	340	320
231		" Cash		20
		21		
233	A. F. Newlands,			
231		To Mdse.	420	420
		22		
232	Bills Pay.,			
231		To Cash	90	90
		24		
231	Mdse.,			
232		To Bills Pay.	700	680
231		" Cash		20
231	Cash,			
231		To Mdse.	800	800
			3416 25	3416 25

			Dr.	Cr.
		MAY 26, 1886.		
231	Cash,		285	
231		To Bills Rec.		285
		27		
231	Mdse.,		640	
233		To W. Elder		600
232		" Bank of Commerce		40
		28		
234	H. Cormack,		345	
231		To Mdse.		345
		"		
232	Store Expense,		7	
231		To Cash		7
		29		
231	Cash,		850	
231		To Mdse.		850
		30		
233	W. Elder,		450	
232		To Bank of Commerce		450
		"		
232	Store Expense,		6 75	
231		To Cash		6 75
		"		
231	Cash,		80	
233		To A. F. Ferris		80
		31		
232	Bank of Commerce,		2000	
231		To Cash		2000
		"		
233	L. A. Fell,		320	
233		To A. F. Newlands		320
			4983 75	4983 75

SET III.

MODEL LEDGER.

Thoroughly understand the form of the Ledger and process by which it is opened and kept, as explained on pages 76-78. Trace carefully each posting from the Journal to the Ledger, and then back from the Ledger to the Journal, and so tell what were both Journal and Day Book entries.

HECTOR JACK,

241 Brock Street,

Kingston, Ont.

INDEX—MODEL LEDGER.

	A	E	I	O	U	Y
A						
B	B'nk of Com'rce 232 Balance Acct. 234		Bills Rec. 231 Bills Pay. 232			
C	Cash 231			Cormack, H. 234		
D						
E		Elder, Wm. 233				
F		Fell, L. A. 233 Ferris, A. F. 233			Furniture & Fixtures 233	
G						
H						
I & J	Jack, H. 231				Insurance 232	
K						
L				Loss & Gain 234		
M		Merch'dse 231				
N		Newlands, A F 233				
O						
P						
Q						
R		Real Estate 234				
S	Stationery 232			Store Expense 232		
T						
U						
V						
W						
X Y & Z						

Hector Jack.

Dr.				Cr.			
1886				1886			
May 31	To Balance		5656 20	May 1	By Sunds.	142	5000
					" Loss & Gain	234	656 20
			5656 20				5656 20

Cash.

1886				1886			
May 1	To Hector Jack	142	4500	May 1	By Store Expense	142	25
3	" Mdse.	142	150	"	" Stationery	142	20
25	" "	143	800	"	" Store Expense	142	11
26	" Bills Rec.	144	285	"	" Mdse.	142	800
29	" Mdse.	144	850	3	" Sundries	142	62 80
30	" A. F. Ferris	144	80	"	" Mdse.	142	75
				"	" B'k of Com'rce	142	3000
				10	" Store Expense	142	29
				15	" Mdse.	143	10
				20	" "	143	20
				22	" Bills Pay.	143	90
				24	" Mdse.	143	20
				28	" Store Expense	144	7
				30	" " "	144	6 75
				31	" B'k of Com'rce	144	2000
				31	" Balance		488 45
			6665				6665

Merchandise.

1886				1886			
May 1	To Cash	142	800	May 3	By Cash	142	150
3	" Sundries	142	575	4	" A. F. Ferris	142	400
11	" B'nk of Com'rce	143	250	12	" Bills Rec.	143	285
15	" Sundries	143	100	17	" "	143	220
20	" "	143	340	21	" A. F. Newlands	143	420
24	" "	143	700	25	" Cash	143	800
27	" "	144	640	28	" H. Cormack	144	345
31	" Loss and Gain	234	595	29	" Cash	144	850
				31	" Inventory		530
			4000				4000

Bills Receivable.

1886				1886			
May 12	To Mdse.	143	285	May 26	By Cash	144	285
17	" "	143	220	31	" Balance		220
			505				505

* First page of Ledger.

Bills Payable.

Dr.				Cr.			
1886				1886			
May 22	To Cash	143	90	May 15	By Mdse.	143	90
31	" Balance		860	18	" L. A. Fell	143	180
				24	" Mdse.	143	680
			950				950

Bank of Commerce.

1886				1886			
May 3	To Cash	142	3000	May 11	By Mdse.	143	250
31	" "	144	2000	19	" Insurance	143	31 25
				27	" Mdse.	144	40
				30	" Wm. Elder	144	450
				31	" Balance		4228 75
			5000				5000

Store Expense.

1886				1886			
May 1	To Cash	142	25	May 13	By Loss and Gain	234	81 55
"	" "	142	11				
3	" "	142	2 80				
10	" "	142	29				
28	" "	144	7				
30	" "	144	6 75				
			81 55				81 55

Insurance.

1886				1886			
May 19	To Bank Commerce	143	31 25	May 31	By Loss and Gain	234	31 25

Stationery.

1886				1886			
May 1	To Cash	142	20	May 31	By Loss and Gain	234	20

Furniture and Fixtures.

Dr.				Cr.		
1886			1886			
May 3 To Cash	142	60	May 31 By Inventory			54
			" Loss and Gain	234		6
		60				60

L. A. Fell.

1886			1886		
May 18 To Bills Pay	143	180	May 3 By Mdse.	142	500
31 " A. F. Newlands	144	320			
		500			500

A. F. Ferris.

1886			1886		
May 4 To Mdse.	142	400	May 20 By Mdse.	143	320
			30 " Cash	144	80
		400			400

A. F. Newlands.

1886			1886		
May 21 To Mdse.	143	420	May 31 By L. A. Fell	144	320
			31 " Balance		100
		420			420

Wm. Elder.

1886			1886		
May 30 To Bank Commerce	144	450	May 27 By Mdse.	144	600
31 " Balance		150			
		600			600

H. CORMACK.

DR.				CR.			
1886				1886			
May 28 To Mdse.	231	345		May 31 By Balance			345

REAL ESTATE.

1886				1886			
May 1 To H. Jack	231	500		May 31 By Inventory			700
31 To Loss and Gain	234	200					
		700					700

LOSS AND GAIN.

1886				1886			
May 31 To Store Expense	232	81	55	May 31 By Mdse.	144	595	
" Insurance	232	31	25	" Real Estate	142	200	
" Stationery	232	20					
" Fur'ture & Fixt's	233	6					
" H. Jack	231	656	20				
		795					795

BALANCE.

1886				1886			
May 31 To Cash	231	488	45	May 31 By Bills Pay.	232	860	
" Mdse.	231	530		" Wm. Elder	233	150	
" Bills Rec.	231	220		" H. Jack	231	5656	20
" B'k of Com'rce	232	4228	75				
" Fur'ture & Fixt's	233	54					
" A. F. Newlands	233	100					
" H. Cormack	233	345					
" Real Estate	234	700					
		6666	20				6666 20

54.—TRIAL BALANCE.

		FACE OF LEDGER.		BALANCES.	
		Dr.	*Cr.*	*Dr.*	*Cr.*
231	Hector Jack		5000		5000
231	Cash	6665	6176 55	488 45	
231	Mdse. (Inventory $530)	3405	3470		65
231	Bills Receivable	505	285	220	
232	Bills Payable	90	950		860
232	Bank of Commerce	5000	771 25	4228 75	
232	Store Expense	81 55		81 55	
232	Insurance	31 25		31 25	
232	Stationery	20		20	
233	Furniture and Fixtures (Inv'ty $51)	60		60	
233	A. F. Newlands	420	320	100	
233	Wm. Elder	450	600		150
234	H. Cormack	345		345	
234	Real Estate (Inventory $700)	500		500	
		17572 80	17572 80	6075	6075

In taking a Trial Balance we omit those accounts that balance in the Ledger. This saves labor and shows that the Debits and Credits are equal as well as though all the accounts were represented. In the above form we have extended the Balances, the Debits and Credits of which must also be equal.

TEST STATEMENT—SET III.

RESOURCES.

231	Cash	488	45		
231	Mdse.	530			
231	Bills Rec.	220			
232	Bank of Commerce	4228	75		
233	Furniture and Fixtures	54			
233	A. F. Newlands	100			
234	H. Cormack	345			
234	Real Estate	700			
	Total Resources			6666	20

LIABILITIES.

232	Bills Pay	860			
233	Wm. Elder	150			
	Total Liabilities			1010	
	Net Capital			5656	20

GAINS.

231	Mdse.	595			
234	Real Estate	200			
	Total Gains			795	

LOSSES.

232	Store Expense	81	55		
232	Insurance	31	25		
232	Stationery	20			
233	Furniture and Fxtures	6			
	Total Losses			138	80
	Net Gain			656	20
231	H. Jack's Investment	5000			
231	" " Net Gain	656	20		
	" " " Capital			5656	20

55.—A Balance Sheet, or Test Statement, is usually made out for the purpose of showing, in a condensed form, the present condition and the progress of the business.

The Statement above is less complex than those usually given, and exhibits, in a convenient form for reference, all the important facts relating to the business. The work of compiling this Statement has already been explained.

CLOSING THE LEDGER.

56. Ledger "A" shows the accounts in an open or current condition, from which the Trial Balance has been taken and the important facts relating to the business shown in the Test Statement. If you simply wish to know the condition of the business, this will be sufficient; but when the object is to mark a new era in the business, as the beginning of a new year, the admission of a partner, or the opening of a new Ledger, the accounts must be "closed."

The Model Ledger will illustrate the closing of these accounts as they are closed in actual business. The method of closing separate accounts has been shown already in the preceding Exercises. Precisely the same course is to be pursued here with the several accounts, but an additional step is to be taken by Transferring the Resources and Liabilities, Gains and Losses, from the accounts in which they are found to the Balance and Loss and Gain accounts, which are opened in the Ledger.

The Student has already learned that the Double Entry Ledger contains two classes of accounts:

1st.—Speculative Accounts, showing the progress of the business by representing its Losses and Gains.

2nd. – Non-Speculative Accounts, showing the present condition of business by representing all its Resources and Liabilities.

Upon examination it will be found that Losses are shown by an excess of the Debit side, and Gains by an excess of the Credit side of Speculative accounts.

Resources are shown by an excess of the Debit side, and Liabilities by an excess of the Credit side of Non-Speculative accounts.

DIRECTIONS FOR CLOSING ACCOUNTS.

I.—Open an account with Loss and Gain and another with Balance following those already opened in your Ledger, the former to contain the Losses and Gains, the latter the Resources and Liabilities.

II.—From the Inventory at the end of the Day Book find the value of unsold goods, which amounts you enter on the Credit side of the accounts to which they belong, in red ink, and on the Debit side of Balance account in black ink. The accounts are now in a condition to close, and we will take them in their order.

III.—Omit the Proprietor's account, commencing with the next that follows. Place on the smaller side of the account the difference, in red ink, "To Balance," if the account shows a Liability; "By Balance," if the account shows a Resource, or "To Loss and Gain" when the account shows a Gain, and "By Loss and Gain" when the account shows a Loss.

IV.—Transfer these differences to the opposite side of the account into which they are closed in black ink.

V.—The Loss and Gain account will now show, on the Dr. side, all the Losses, and on the Cr. side all the Gains. The "Balance Account" will show, on the Dr. side, all the Resources, and on the Cr. side all the Liabilities, the difference being the Present Worth of the Proprietor.

VI.—Close the Loss and Gain account by entering on the smaller side in red ink the Proprietor's name and the difference between the sides, which will be the Net Gain or Loss. Carry the difference to the opposite side of the Proprietor's account in black ink, using "Loss and Gain" for explanation. In case of partnership the difference should be divided according to agreement, and each partner's name and share entered in the Loss and Gain account and afterwards transferred to the opposite side of his account.

VII.—Proprietor's account will now show the original investment, increased by the Gain or decreased by the Loss, the difference being the Present Net Worth. The difference of Balance account also shows the Present Net Worth, hence they must agree.

Close Proprietor's account into Balance, which should make the two sides of that account equal. This will complete the closing of the Ledger, and shows in a condensed form the present condition of the business.

REVIEW—GENERAL PRINCIPLES.

1. Explain "Double Entry." [35]
2. How distinguished from Single Entry? [36]
3. What are the advantages of Double Entry over Single Entry? [37]
4. What are the principal books used in Double Entry? [38]
5. Describe the Day Book. [39-40]
6. Explain the use of the Journal. [41]
7. Give general rule for journalizing. [42]
8. Apply it to Cash, Mdse., Bills Receivable, Bills Payable, Personal Accounts, Interest and Discount, Expense. [42]
9. Give general rule for journalizing Drafts. [42]
10. What is the Drawer's entry in a Time Draft? [42]
11. " " " Sight "
12. " Drawee's " Time "
13. " " " Sight "
14. " Payee's " Time "
15. " " " Sight "
16. Explain the use of the Ledger. [44]
17. What is Posting? [44]
18. What is the object of the Trial Balance? [47]
19. How would you detect an error in it? [48]
20. Does the Trial Balance prove the posting correct? [47]
21. Explain the use of an index to a Ledger. [53]
22. When and why do you close a Ledger? [56]
23. What accounts are used in closing the Ledger to group the closing entries? [56]
24. What is done with the Inventory at time of closing? [56]
25. What is the order of closing accounts in the Ledger? [56]
26. What does the Debit side of Loss and Gain account show? [56]
27. " " Credit " " " " " " [56]
28. How does Loss and Gain account close? [56]
29. What is entered on the Debit side of Balance account? [56]
30. " " " Credit " " " [56]
31. What does the difference of the two sides agree with? [56]
32. How is Balance account closed? [56]
33. Explain the use of the Balance Sheet, or Test Statement. [50 & 55]

SET FOUR.

NOTE.—In the following Set we have used as a basis for the business the Resources and Liabilities as shown by the Statement in Set I, Single Entry. Our object in doing so is to enable the Student to understand more fully the process of changing from Single to Double Entry. The student will copy the following transactions for a Day Book to Set IV.; after which, Journalize as in the Model Form, paging the first page of Journal 170, the first page of Ledger 432, and the Day Book 374. The paging should be continued from those of this set, through the following sets, leaving between each set a blank leaf for name of firm and place of business.

SET FOUR.

ISRAEL TAYLOR.

132 SPARKS STREET,

OTTAWA, ONT.

The above card should be written on the first blank page of Day Book, Journal and Ledger. *Commence writing on third page.*

Study well the rules found on pages 47–48.

JANUARY 1, 1886.

Leased of W. K. Ovens, the Store at No. 132 Sparks street, at $600 per year, for the purpose of conducting the Dry Goods and Grocery Business, with the Resources and Liabilities from Set I, Single Entry.				
Resources—				
Cash on hand	2106	37		
Mdse. unsold	3400			
Bills and Drafts	77	30		
W. A. Wilmot on acct.	15	50	5599	17
Liabilities—				
Notes outstanding per Bill Book	1060			
Due M. Ryan on acct.	153	75		
" I. N. Wilson on acct.	190			
" J. A. Greenwood on acct.	74		1477	75
In making the above Journal entry, debit the Resources to the Liabilities, and to the Proprietor for the difference, because this difference is the amount really invested by him.				
"				
Bought of Wm. B. Dunlop, Perth, Ont., on acct.,				
50 bbls. Flour @ $6	300			
Paid Freight and Cartage with Cash	10	50	310	50
3				
Paid for two tons Coal for use of store with our Sight Draft on W. A. Wilmot			15	50
5				
Bought of Percy Lambert, City, on acct.,				
2 pcs. Broadcloth, $\frac{20}{20}$, 40 yds., @ $3			120	
6				
Sold Sidney McKim & Co., Newburg, Ont., for Cash				
25 bbls. Flour @ $8.50			212	50
7				
Paid sundry private expenses with Cash			10	
"				
Sold W. H. Miller, Brockville, Ont., on acct.				
25 bbls. Flour @ $5.50			137	50
8				
Rec'd. Cash for T. Marsh's note in our favor			14	80

JANUARY 9, 1886.

Deposited in Merchants' Bank, Cash				2000	
10					
Paid Percy Lambert, in full of acct., Cash				120	
12					
Bought of Fred Thompson, New York, for my Check, No. 1, on Merchants' Bank,					
750 lbs. White Sugar @ 12c	90				
Paid Freight and Cartage with Cash	4	25		94	25
13					
Sold B. Armstrong, Napanee, Ont., for his Check on City Bank,					
1 pc. Broadcloth, 20 yds., @ $2.75				55	
14					
Bought on commission for Wm. Gardner, Kingston, Ont.,					
500 bush. Corn, for which he paid me Cash				5	
"					
Bought of R. S. Wright, City, on my Note No. 1, at 30 days,					
50 boxes Raisins @ $3				150	
15					
Sold W. H. Miller, Brockville, for Check,					
All the Mdse. in the store at Kingston, as per inventory, for				3560	
"					
Paid our Note, favor of T. Keenan, with Cash				960	
16					
Sold Wm. Fee, Newburg, Ont., for his Note at 4 months					
600 lbs. White Sugar @ 12½c				75	
17					
Bought of Oscar McKim, Toronto, for Note which I held against W. H. Graham					
5 pieces Silk @ $15	75				
Paid freight and Cartage with Cash	1	50		76	50
19					
Paid for Ins. on Mdse., in Ætna Ins. Co., Hartford, Conn.,					
(Policy No. 875,) for $500 @ 2% Cash				10	

JANUARY 20, 1886.	Dr.		Cr.	
Sold A. M. Morris, Prescott, Ont., for his Note at 30 days 5 pieces Silk @ $15.60			78	
"				
Had my Note No. 2, at 30 days, discounted at Merchants' Bank, and net placed to my credit. Face of Note			1005	53
Discount	5	53		
Proceeds	1000			
21				
Paid W. K. Ovens, on acct. for Store Rent, Cash			20	
22				
Lost by fire, 1 pc. Broadcloth, 20 yds. Ætna Ins. Co. assumes the loss, at			50	
23				
Bought of J. A. Greenwood, City, on acct. 50 pieces Alpaca (673 yds.) @ 28c			188	44
24				
Sold M. Ryan, Montreal, on acct. 32 boxes Raisins @ $3.50			112	
26				
Accepted J. A. Greenwood's Draft @ 5 days' sight, favor Fred. Fisk, Chicago, Ill., for			180	
"				
Bought of Fred. Vanluven, Cornwall, Ont., for my Check No. 2 on Merchants' Bank, 10,000 lbs. Hops @ 15c	1500			
Paid Freight and Cartage with Cash	71	25	1571	25
"				
Had Jas. Graham's Note, our favor, collected through Merchants' Bank, proceeds placed to our credit Face of Note			62	50
Collection Fee		63		
Proceeds	61	87		

JANUARY 30, 1886.

	Paid my Note No. 1, favor R. S. Wright, due 16th Feb., 1882.				
	Face of Note			150	
	Dis. off, 20 days @ 6%		50		
	Paid Cash	149	50		
	28				
	Bought of Percy Lambert, City, for my Draft at sight on M. Ryan, Montreal.				
	1 hhd. Molasses, 60 gals. @ $1			60	
	30				
	Sold I. N. Wilson, Perth, on acct.,				
	9,000 lbs. Hops @ 15c	1350			
	Prepaid Freight with Cash	30		1380	
	"				
	Received of Ætna Ins. Co., Hartford, Conn., their Check on City Bank, Hartford, to cover damages by fire, 22d inst.			50	
	"				
	Paid our Note No. 6, favor of I. N. Wilson, with Cash,				
	Face of Note	100			
	Interest accrued to date	4	25	104	25
	"				
	Have credited W. K. Ovens for 1 mo.'s rent			50	
	31				
	I have this day taken an Inventory of my effects, and, as per Inventory book, have the following property:				
	1,000 lbs. Hops @ 15c, $150.				
	1 hhd. Molasses, 60 gals. @ $1 60.				
	150 lbs. Sugar @ 12c 18.				
	18 boxes Raisins @ $3 54.				
	50 pcs. Alpaca, 673 yds. @ 28c 188.44 $470.44				
	Total Inventory, $470.44				

NOTE.—From the above Day Book the student will make out the necessary Business papers which the transactions call for, using for the same such names and amounts as would be required in a bona fide business. This is required that the student may familiarize himself with all kinds of business paper, which is very important to the business man. All necessary forms will be found under the title of "Business Paper in general use."

TRIAL BALANCE—SET IV.

L. F.		Dr.		Cr.	
	Israel Taylor			4121	42
	Cash	6003	67	3491	25
	Mdse. (Inventory $470.44)	5970	94	5630	
	Bills Receivable	230	30	152	30
	Bills Payable	1210		2395	53
	M. Ryan	112		213	75
	I. N. Wilson	1380		190	
	J. A. Greenwood	180		262	44
	W. B. Dunlop			300	
	Store Expense	65	50		
	Taylor's Private Account	10			
	H. W. Miller	137	50		
	Merchants' Bank	3061	87	1590	
	Commission			5	
	Insurance	10			
	Interest and Discount	10	41		50
	W. K. Ovens	20		50	
		18402	19	18402	19

Ledger Headings for Set IV.—Taylor, 6 lines; Cash, 20; Mdse. 16; Bills Receivable and Bills Payable, each 8; Merchants' Bank, 8; Store Expense, 6; Private Account, 6; Interest and Discount, 8; Personal Accounts, 6; Balance Account, 12; Loss and Gain, 10.

TO THE STUDENT.

We are taught in this science to look beyond persons for our debtors and creditors, and to recognize them in *things* also with which we are dealing. When a person owes us, we do not hesitate to say he is our *debtor*. Then why not give the same application to things, treating them the same as debtor and creditor? You cannot too carefully study the *Rules* just passed, and their application in the Model Day Book, Journal and Ledger, for in them will be found the *key* to success in Double Entry Book Keeping. Each rule has a meaning and purpose, which should be sought after with *diligence* and *earnestness*. It needs but a strong determination to overcome the difficulties arising before you in this Course, and with a sufficient amount of it, you will gain a signal victory over this important science.

The preceding matter, as the elementary principles, is to act as your guide through the Theory of this interesting science. You should not hesitate to *dive deep* and *search long*, in order to gain that knowledge which has started so many on the road to success, and made them *influential*, *wealthy* citizens.

SET FIVE.

On opening the Journal of Set V., you should carefully study the application of the rule, Dr. WHATEVER COSTS VALUE, and Cr. WHATEVER PRODUCES VALUE.

By referring to the Balance Account of Set IV. you will find that Israel Taylor invests in this Business his net Capital on closing in Kingston. All things on hand, and persons owing him, must be Dr. to him. And as the firm assumes his Liabilities, Mr. Taylor is Dr. for the amount standing against him, observing same rule with every subsequent partner when taken into the firm, also each partner should be credited for all additional investments he may make.

You should give the opening of this Journal your particular attention; an understanding of it will be of incalculable advantage to you in solving the many difficult problems that follow.

SET FIVE.

ISRAEL TAYLOR & CO.,

84 KING STREET,

TORONTO.

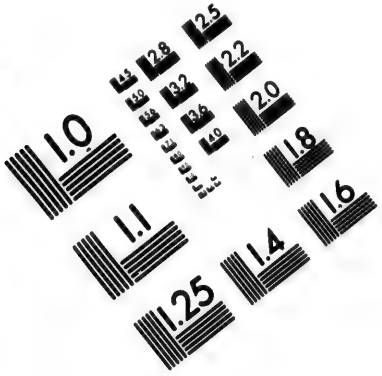
The above card should be copied on the blank leaf after Set IV. in Day Book, Journal and Ledger.

FEBRUARY 1, 1886.

Israel Taylor and Fred Booth have this day formed a copartnership to conduct the Dry Goods, Grocery and Shipping Business, at No. 84 King St., Toronto. They are to share and sustain equally in gains and losses.				
"				
Israel Taylor invests (as per Balance Acct., Set IV.)			5860	23
Cash on hand	2512	42		
Mdse as per Inventory	470	44		
A. M. Morris's Note at 30 days from Jan. 20th, 1882	78			
I. N. Wilson	1190			
Merchants' Bank, on acct.	1471	87		
H. W. Miller "	137	50		
"				
The Firm assumes for I. Taylor the following Liabilities:				
Sundry Notes (per B.B.)	1185	53		
W. K. Ovens on acct.	30			
W. B. Dunlop "	300			
J. A. Greenwood on acct.	82	44		
M. Ryan "	101	75	1699	72
"				
Fred Booth invests:			5500	
Cash	1000			
Mdse. as per Inventory	1500			
Store above mentioned, valued at	3000			
2				
Bought of T. Kenney & Co., City, on acct., 30 days, a Safe for office			125	
"				
Paid Arnold & Co., City, Cash for bill of Furniture and Fixtures for store and office			75	
"				
Paid Cash for painting and cleaning the store, and sundry other items of expense for store			45	50
"				
Bought for Cash, set of Blank Books, Paper, Pens, Ink, &c.			23	50

FEBRUARY 3, 1886.

Paid with Cash, Greenwood's Draft, favor Fred. Fisk, accepted 26th Jan., for			180	
"				
Bought of J. Allen, Newbury, Ont., for our Note No. 1, at 60 days, payable at City Bank, with Int.,				
8 hhds. Sugar, 9016 lbs @ 7½c	676	20		
Paid Freight and Cartage with Cash	15	50	691	70
2				
Paid Cash for advertising our business in daily *Mail.*			48	
6				
Israel Taylor has this day added to his investment in the business a Set of Exchange at 30 days' sight, drawn by F. E. Trowbridge & Co., New York City, on Brown Bros., London, at par, for £180 Sterling	875	97		
Also Cash	1000		1875	97
7				
Deposited in City Bank, City, Cash			1775	
9				
Have put $2,500 Ins. on Store and Fixtures, and $3,000 on general Mdse., @ 1%, in D. B. College Insurance Co., Kingston, Ont., under Policy No. 26,785.				
Gave our Check No. 1 on City Bank			55	
"				
Sold W. K. Ovens, City, on acct., all the Mdse in the store, 132 Sparks Street, Ottawa, as per Inventory, Set I, for			430	
10				
Engaged Wm. Hood, as accountant, @ $18 per week				
Also as salesman, F. Playfair @ $14 per w'k				
And J. P. McDonald @ $16 "				
11				
Received of Lord & Taylor, New York City, per our order				
200 pieces Sheeting, 8,000 yds. @ 15c	1200			
Paid Freight and Cartage with Cash	4	50	1204	50



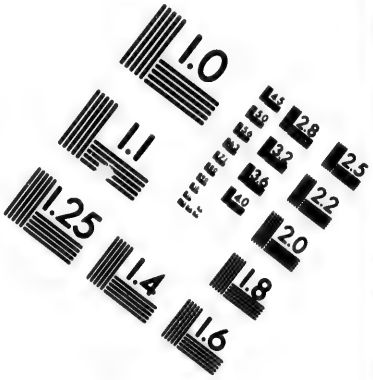
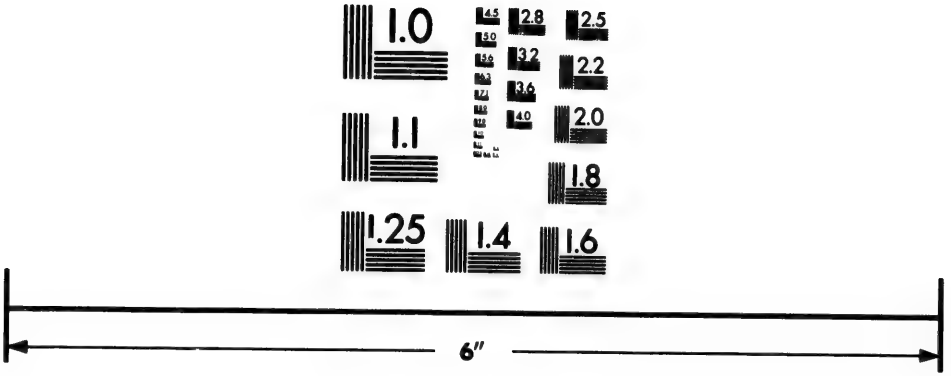


IMAGE EVALUATION TEST TARGET (MT-3)



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23 WEST MAIN STREET
WEBSTER, N.Y. 14580
(716) 872-4503

2.8
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Sold A. L. Davis, City, for his Draft at 30 days' sight, on Park & Co., New York City				
4 hhds. Sugar, 4508 lbs. @ 10c			450	80
15				
Received from H. W. Miller, Brockville, Ont., in settlement of his account, 2 shares C. P. R. Stock			137	50
18				
Sold Frank Philips, Port Hope, Ont., for his Check on Bank of Montreal				
2500 yds. Sheeting @ 20c			500	
20				
Deposited in City Bank, F. Phillips' Check on Bank of Montreal for			500	
21				
Bought of O. E. Potter, Winona, Minn., on acct.				
600 bus. Wheat, inv. @ $1.50	900			
Paid Freight on same wirh Check No. 2 on City Bank	48		948	
22				
Remitted Lord & Taylor, New York City, our Draft at sight on I. N. Wilson, Perth			1190	
Cash for balance of acct.			10	
"				
Had I. Taylor's Note No. 2 (assumed by the firm), and due this day, charged to our account at Merchants' Bank				
Face of Note			1005	53
24				
Sold E. Gaulin, Deseronto				
4 hhds. Sugar, 4508 lbs., @ 11c	495	88		
40 pieces Sheeting, 4000 yds., @ 19c	760		1255	88
Received in payment:				
O. E. Potter's Sight Draft on us in their favor, for	660			
The balance on three months' time	595	88		
27				
Sold E. P. Dunn, Deseronto, at 30 days				
300 bushels Wheat @ $2			600	

MARCH 1, 1886.

Bought of Frank Oliver, Bath, Ont.					
600 bus. Wheat @ $1.75		1050			
800 " Oats @ 75c		600		1650	
Gave in payment, R. McConnell's Draft on Park & Co., New York City, due 16 Mar., @ 2 % Dis.,					
Face of Draft	$450 80				
Discount, @ 2 %	9 02	441	78		
Gave our Note No. 2, at 30 days, for		500			
and Check No. 3, on City Bank, for balance		708	22		
3					
Sold Thos. Naylor, London, Ont., on acct.					
600 bus. Wheat, invoiced, @ $1.80		1080			
Pre-paid freight and cartage, Cash		40		1120	
4					
Paid T. Kenney & Co., City, in full of acct. with Check No. 4, on City Bank				125	
"					
Sold John Ferguson, Spencerville					
300 bus. Wheat, @ $2.10				630	
Received in payment, his Draft, at sight, on D. J. Adams, City					
6					
Sold, our Exchange on London, received 6th ult.					
Face of Exchange		875	97		
Premium		18	21	894	18
Received in payment, 1 bale Carpeting for Fred Booth's family, as per bill		594	18		
Horse for use of business, worth		200			
Waggon, valued at		100			
"					
Deposited in City Bank, our Check No. 1, on Merchant's Bank, (to close account), for		466	34		
Also, Ferguson's Sight Draft on D. J. Adams, for		630		1096	34
7					
Paid the following persons on account of services, Cash				140	
W. Hood		40			
F. Playfair		36			
J. P. McDonald		64			

MARCH 10, 1886.

Sold A. Jamieson, Montreal, on acct.				
800 bus. Oats, invoiced, @ $1.05		840		
Pre-paid sundry shipping expenses with Check No. 5 on City Bank		40	880	
11				
Bought of J. T. Dawson, Buffalo, N. Y., on acct.				
400 bush. Ashton Salt, @ $2.10,	$840			
200 bbls. Water Lime, @ $1.85,	370	1210		
Freight due brig Minnehaha		97	1307	
18				
Received, for dividend on our C. P. R. R. Stock, Cash			6	44
21				
Transferred to J. T. Dawson & Co., Buffalo, N. Y., our C. P. R. R. Stock, two shares, at $69.84			139	68
24				
Due the following persons for 6 weeks services to date				
W. Hood		108		
F. Playfair		84		
J. P. McDonald		96	288	
"				
We have this day taken an Inventory of our effects, and find the following property unsold :				
Merchandise	$3307			
Real Estate	2800			
Live Stock	180			
Movable Property	50			
Furniture and Fixtures	190	$6557		
Inventory total		$6557		

NOTE.—Having Journalized and posted the accounts found in this Day Book, take a Trial Balance and Test Statement, and so ascertain if your work is correct. You will then bring down *all* Inventory Balances "To Balance," and Balance of REAL ACCOUNTS, such as Cash, Bills Payable, Personal Accounts, etc., either "To" or "By Balance," as the standing of the Accounts may show.

If an account is closed "To Balance," you will open it by writing on the Credit side of the same, "By Balance," and the reverse, dating all the balances thus transferred. This transfer will correctly locate in the Ledger the Assets and Liabilities ready for the commencement and continuation of the Sixth Set, thus saving the unnecessary labor of Journalizing and Posting these accounts, and arriving at the same result.

Before Posting the Sixth Set, take a Trial Balance of these accounts that have been brought down in the Ledger, and thus ascertain if the transfers have been properly made.

You will also make out the necessary business papers, using such names and amounts as the transactions call for.

TRIAL BALANCE—SET V.

	Dr.		Cr.	
Israel Taylor			6036	48
F. Booth			5500	
Cash	5648	86	3487	
Mdse. (Inventory $3307)	7771	64	5786	68
Bills Receivable	1404	77	1326	77
Bills Payable	1185	53	2361	73
W. K. Ovens	430		30	
W. B. Dunlop			300	
J. A. Greenwood			82	44
M. Ryan			101	75
Real Estate (Inventory $2800)	3000			
Furniture and Fixtures (Inventory $190)	200			
Expense	45	50		
Stationery	23	50		
Advertising	48			
City Bank	3371	34	976	22
Insurance	55			
C. P. R. R. Stock	137	50	146	12
E. Potter	660		900	
E. F. Gaulin	595	88		
E. P. Dunn	600			
Interest and Discount	9	02	18	21
T. J. Naylor	1120			
F. Booth's Private Account	594	18		
Live Stock (Inventory $180)	200			
Movable Property (Inventory $80)	100			
W. Hood	40		108	
F. Playfair	36		84	
J. P. McDonald	64		96	
A. Jamieson	880			
J. T. Dawson	139	68	1210	
Brig Minnehaha			97	
Salary Account	288			
	28648	40	28648	40

Ledger Headings for Set V.—I. Taylor, 12 lines; F. Booth, 12; G. M. Duff, 12; Cash, 26; Mdse., 22; Bills Receivable, 20; Bills Payable, 12; Real Estate, 10; Furniture and Fixtures, 10; Expense, 10; Stationery, 6; Advertising, 10; City Bank, 16; Insurance, 10; C. P. R. R. Stock, 6; Interest and Discount, 16; F. Booth's Private Account, 6; Live Stock, 10; Movable Property, 10; all other accounts ¼ page except Balance and Loss and Gain Accounts, for which allow 1 page each.

Note.—After closing the fifth set the balances are brought down and the sixth set posted under the same headings. New ledger headings added for the sixth set should be allowed ¼ page each.

SET SIX.

This, of all Theory Sets, is the most difficult to comprehend. It is your last set of Books previous to entering *the practical departments*, and contains new and important *transactions*. In this Set you are called upon to exercise your own judgment in the construction and arrangement of a portion of its Day Book entries. This is an important feature, and one which should not be neglected.

SET SIX.

TAYLOR, BOOTH & DUFF,

245 St. James Street,

MONTREAL.

Copy the above card in Day Book and Journal.

MARCH 27, 1886.

I. Taylor and Fred. Booth, have this day leased of L. B. Barrett, the store No. 245 St. James St., Montreal, Que, at $1200 per annum, payable monthly in advance, for the purpose of conducting the Dry Goods, Grocery and Shipping business, under the management of the junior partner, F. Booth, with the Assets and Liabilities as brought down in old ledger.				
"				
Paid L. B. Barrett, one month's rent in advance, cash			100	
28				
Have admitted into the firm G. M. Duff, on condition that he receive or sustain 2-7ths of the Gains or Losses. He invests Cash	2000			
A. B. Smith's Note at 90 days from 15th ult.	675			
E. D. Holmes' acceptance at 30 days from 25th inst., favor of G. M. Duff	325		3000	
"				
Deposited in Bank of Commerce, Cash	3000			
Our Check No. 6 on City Bank, for	1711	82	4711	82
29				
Paid for Insurance, Cash			64	17
30				
Sold our Store, No. 84, King Street, Toronto, to S. Calvin, Garden Island, for			3300	
Received in payment, Cash	1800			
His Note at 90 days, for	500			
A Mortgage on the property for	1000			
April 3				
Paid the following on acct., Cash			293	
W. Hood	86			
F. Playfair	62			
J. P. McDonald	48			
Brig Minnehaha	97			
"				
Paid Note No 2 given by I. Taylor & Co., favor of F. S. Oliver, and due this day, with Cash Face of Note			500	

APRIL 4, 1886.

Received from A. Jamieson, City, a Draft at ten days sight on Clews & Co., Toronto, to apply on account				
Face of Draft			360	
"				
Sold Chas. Mitchell, Toronto				
24 pieces Sheeting, 1200 yds., @ 20c	240			
250 bushels wheat, @ $2.00	500		740	
Received in payment his note at 90 days	480			
Check on Commercial Bank	260			
7				
I. Taylor & Co's Note No. 1, and interest favor G. Allen, due this day at City Bank, has been charged to our account. Face of Note	676	20		
Interest	7	10	683	30
"				
Compromised with A. M. Morris, for his Note, for $78, due 22nd Feb., which we hold, he to pay us the interest in full @ 6 %, from 22nd Feb.				
And 45 % of principal				
For which he has remitted us sight draft on Fisk & Hatch, New York City				
Our loss				

NOTE.—You are to originate or select your own language for the remaining part of the Day Book, observing the same *clear* and *concise* form of expression as in preceding matter. This you will do on loose paper, and present for examination. All this work must be done with ink.

April 10.—Bought of Thos. Naylor, London, Ont., 200 bbls. flour @ $10 per bbl. $—— paid with cash $1,000; gave check on Bank of Commerce for $580, and the balance on account at 2 mos., $——.

11.—Had our Note No. 1, at 5 mos., discounted at Bank of Commerce, @ 6 % and received cash for proceeds $346.84. Face of Note, $—— Discount, $——.

12.—Had Clews & Co's. acceptance, 4th inst., collected through Bank of Commerce, and net proceeds placed to our credit. Face, $—— Collection Fee, at 1 %, $—— Net Proceeds, $——.

13.—Paid M. Ryan, amount of account in full, with our draft at sight on E. Gaulin, Deseronto, $——.

14.—Received of W. K. Ovens, Note at 3 mos., with interest payable at City Bank, to settle his account in full, $——.

15.—Shipped E. P. Dunn, Deseronto, per his order, 1435 yds. G. O. Cloth, @ 50c. per yd., $——.

16.—Received cash for E. D. Holmes acceptance, invested by G. M. Duff, and due this date, $——.

18.—Deposited in Bank of Commerce, $2500.

19.—Accepted J. T. Dawson's sight draft favor City Bank, payable at Bank Commerce, to balance his account; Face of Draft, $——.

20.—Sold J. A. Greenwood, Ottawa, 1000 bus. Wheat, @ $1.80, $——. Received cash $800 and his note at 2 mos., for balance, $——.

21.—Had our sight draft on E. P. Dunn, for balance of account to date, collected through Bank of Commerce, and proceeds placed to our credit; Face of Draft, $—— Collection, @ 1 %, $——. Net proceeds, $——.

22.—Paid the *Globe's* bill for advertising to date, with our Check No. 4 on Bank of Commerce, $50.

23.—Sold E. Gaulin, Deseronto, 400 bus. Ashton Salt, at $2.30 per bus., $——. 200 bbls. Water Lime, at $2.00 per bbl., $——. Received in payment O. E. Potter's order on us, for balance of his acct., $——. Sight Exchange on New York, for $800 at ¼ of 1 % premium, and balance on acct., $——.

24.—Remitted J. A. Greenwood, Ottawa, our Check No. 5 on Bank of Commerce, to balance his acct., $——.

25.—Sold Thos. Keenan, City, for cash, our Horse for $190, and Waggon for $85.

28.—Had J. A. Greenwood's Note, our favor, Short Due 55 days (including grace), discounted at City Bank, and received cash for proceeds. Face of Note, $——. Discount, $——. Proceeds, $——.

30.—Drew on E. Gaulin, @ 30 days, sight, for balance of his acct. to date, and had draft discounted at City Bank at 6 %, and received cash for proceeds. Face of Draft, $——. Discount, $——. Proceeds, $——.

May 1.—Have credited the following persons for services from 24th March to date, $——. W. Hood, @ $18 per week, $——. F. Playfair, @ $14 per week, $——. J. P. McDonald, @ $16 per week, $——.

1.—Have paid L. B. Barrett, for rent of store from 27th ult., to date, $—— cash.

1.—Paid the following persons cash in full of acct. to date, $——. W. Hood, $——. F. Playfair, $——. J. P. McDonald, $——.

1. Sold John Patton, City, all our Furniture and Fixtures. Received in payment, cash $175.

Having finished the Day Book, you will proceed to journalize, observing the same application of rule as in previous sets. Bearing in mind that in this set you keep a Cash Book, in which all cash items are entered directly from the Day Book.

Post from the Cash Book and Journal in the same order as regards dates as the items were first entered. See Cash Book, pages 30–31.

The balance of Cash Book and Cash Account in the Ledger must agree.

In trial balance for this set all accounts that balance are omitted.

In closing the Ledger, you will credit each account with its respective Inventory, giving all unsold property the same value as when purchased, you will consider the merchandise sold as having been disposed of at an advance of 20 per cent.

The business papers for this set must be made from transactions the same as in preceding sets.

TRIAL BALANCE.

		Dr.		Cr.	
	I. Taylor			6351	41
	F. Booth			5220	74
	G. M. Duff			3000	
	Cash	10739	10	7678	50
	Mdse.	5307		4577	50
	Real Estate	2800		3300	
	Bills Receivable	3818		1763	
	Bills Payable	1176	20	1532	12
	Furniture and Fixtures	190		175	
	T. J. Naylor	1120		420	
	Live Stock	180		190	
	Movable Property	80		85	
	A. Jamieson	880		360	
	W. B. Dunlop			300	
	Store Expense	113	33		
	Bank of Commerce	8872	54	1782	76
	Insurance	64	17		
	Mortgages Receivable	1000			
	Interest and Discount	47	38		59
	Advertising	50			
	Salary Account	256			
	Loss and Gain	42	90		
		36736	62	36736	62

NOTE.—For Ledger Headings see Set Five.

59.—EXAMPLES FOR PRACTICE.

Day Book, Journal and Ledger, to be written up after the manner of Model Set.

Transactions are here given for short practical sets. A Trial Balance is also given for each set, which will enable the student to verify his work.

TRANSACTIONS—SERIES I.

1. Bought of Wm. Austin & Co. on acct., 1000 bbls. Flour @ $6.

2. Sold R. S. Day for Cash, 300 bbls. Flour @ $6.50.

3. Sold M. A. Kemp on acct., 250 bbls. Flour @ $7.

4. Sold Wm. Simmonds on his Note at 30 days, 150 bbls. Flour @ $7.

10. Bought of E. Offord on our Note at 60 days, 500 bus. Wheat @ $1.

12. Sold Geo. Turner for Cash, 100 bus. Wheat @ $1.25; 100 bbls. Flour @ $6.75.

14. Paid Cash for Stationery and Books for use of Store, $50.

15. Bought of C. T. Dawson for Cash, 300 bbls. Flour @ $5.

17. Sold W. J. Shibley for Cash, 100 bbls. Flour @ $6.

18. Bought of R. Pearce on acct., 1,000 bus. Oats @ 75c.

20. Sold N. Raymond on his Note at 5 days, 500 bus. Oats @ 80c; 100 bus. Wheat @ $1.15.

22. Sold Fred. Murphy for Cash, 400 bbls. Flour @ $6; 300 bus. Wheat @ $1.10.

25. Bought of A. Dillon on acct., 1,500 bbls. Flour @ $5.50.

27. Sold Alex. Jack on acct., 1,000 bbls. Flour at $6.

28. Received Cash in full for Raymond's Note, $515.

29. Sold S. Marlatt for Cash, 500 bbls. Flour @ 5.75; 500 bus. Oats @ 90c.

30. Paid Clerk Hire in Cash, $50; Store Rent, $50.

The student is expected to produce the following results from the foregoing transactions:

TRIAL BALANCE.

	Dr.	Cr.
Student (no investment)		
Cash	9920	1650
Bills Receivable	1565	515
Bills Payable		500
Flour	15750	17300
Wheat	500	570
Oats	750	850
W. Austin & Co.		6000
M. A. Kemp	1750	
R. Pearce		750
A. Dillon		8250
Alex. Jack	6000	
Expense	150	
	36385	36385

TEST STATEMENT.

RESOURCES		
Cash on hand	8270	
M. A. Kemp owes us	1750	
Bills Receivable	1050	
Alex. Jack	6000	
Total Resources		17070
LIABILITIES		
W. Austin & Co., we owe them	6000	
Bills Payable	500	
R. Pearce	750	
A. Dillon	8250	
Total Liabilities		15500
Present Worth		1570
GAINS		
Flour	1550	
Wheat	70	
Oats	100	
Total Gains		1720
LOSSES		
Expense	150	
Total Losses		150
Net Gain		1570

Commencing business without capital it will be easily understood that the Present Worth or Net Capital at any time must agree with the Net Gain as above.

Ledger Headings for Series I.—Student, 6 lines; Cash and Flour, each 14 lines; Bills Receivable and Bills Payable, each 8; Wheat and Oats, each 8; Expense, 7; Personal accounts each 6 lines.

TRANSACTIONS—SERIES II.

Student commenced business without capital.

Aug. 1, Bought of G. M. Duff on acct., Mdse. amounting to $5,750. Sold J. R. Renn for Cash, 10 yds. Broadcloth @ $5; 3 do vest Satin @ $8. Paid Cash for Stationery and Postage, $10.

" 2, Sold F. J. Booth on acct., 1 Vest Pattern, $7.50; Trimmings for same, $2; 50 yds. A 1 Sheeting at 12c.

" 3, Sold J. M. Bradstreet on his Note at 60 days, 1 Case Boots (24 pairs) @ $3.50; 25 yds. Flannel @ 50c. Sold E. A. Charlton for Cash, 1 box Hosiery, $10; 75 yds. Lowell Prints @ 10c.

" 5, Paid G. M. Duff Cash on acct., $50.

" 7, Sold Geo. Baker, invoice of Shirting and Fancy Cloths for $3,700. Received in payment Cash, $3,000, balance on acct.

" 9, Paid Store Rent with Cash, $100. Received Cash in full of F. J. Booth's acct., $——.

" 10, Sold J. S. Rowlands on acct., 20 yds. Broadcloth @ $3.75; 50 do Cassimeres @ $1.

" 12, Sold Fred. Folger for Cash, 12 pairs Ladies' Congress Gaiters @ $2; 1 case Misses' Tipped Shoes (24 pairs) @ $1.25; 3 cases Men's Double-Sole Boots (36 pairs) @ $4.

" 14, Paid Clerk's Salary in Cash, $50. Sold J. C. Bailey for Cash, 1 doz. Balmoral Skirts @$2; 1 pc. Mous de Laine (75 yds.) at 20c; 1 pc. Sheeting (50 yds.) @ 10c.

" 15, Bought of Jas. Dawes on our Note at 3 mos., Invoice of Fancy Cloth amounting to $2.500. Sold Robert C. Spencer for Cash, 2 pcs. Broadcloth (50 yds.) at $3.50; 1 pc. Lowell Prints (25 yds.) at 12c.

" 16, Paid Geo. M. Duff Cash on acct., $2,000. Sold D. McLennan on acct., 150 yds. Sheeting at 15c; 50 yds. Broadcloth at $4.

" 18, Received Cash of J. S. Rowlands in full of acct. Sold T. Keenan for Cash, 3 doz. Elastic Hoop Skirts at $2; 4 doz. Balmorals at $2.25.

" 20, Sold N. Fraser for Cash, 1 pc. Irish Linen (50 yds.) at 75c; 3 pcs. Lowell Prints (150 yds.) at 10c; 5 pcs. Sheeting (250 yds.) at 14c.

" 21, Sold D. H. Ellis on acct., 2 cases Ladies' Tipped Gaiters (48 pairs) at $2; 4 cases Boys' Double-Soled Boots (60 pairs) at $1.50.

" 22, Paid Cash for petty Expenses, $15.50.

" 25, Received Cash on Geo. Baker's acct., $350. Paid G. M. Duff Cash on acct., $500. Sold Chas. Meek on acct., 50 yds. Broadcloth at $4; 75 yds. Cassimere at $1.25.

" 27, Sold Jas Smith for Cash, 3 pcs. Cambric Muslin (60 yds.) at 25c; 3 pcs. Scotch Plaid (120 yds.) at 11c; Sold Jas. McMillan on his Note at 30 days, 40 yds. Black Doeskin at $1.25; 8 pcs. Merrimac Prints (250 yds.) at 10c.

" Sold A Scott for Cash our entire stock of goods, amounting per Inventory to $3,450. Paid G. M. Duff in full of acct., $3,200.

The following Trial Balance shows the condition of the Ledger accounts after making up the foregoing transactions.

The student will also make out a Test Statement as in the preceding example.

TRIAL BALANCE.

		Dr.		Cr.	
	Student (no investment)				
	Cash	7747	70	5925	50
	Mdse.	8250		8971	45
	Bills Receivable	171	50		
	Bills Payable			2500	
	G. M. Duff	5750		5750	
	F. J. Booth	15	50	15	50
	Geo. Baker	700		350	
	J. S. Rowland	125		125	
	D. McLennan	222	50		
	D. H. Ellis	186			
	Chas. Meek	293	75		
	Expense	175	50		
		23637	45	23637	45

Ledger Headings with Space Required for Series II.—Student, 6 lines; Cash, 20; Mdse., 28; Expense, 10; Bills Receivable and Bills Payable, each 8; G. M. Duff, 10; all other Personal Accounts, 6 each.

TRANSACTIONS—SERIES III.

Sept. 1, Student commenced business with the following Resources and Liabilities: Cash on hand, $1,822.20. Bills Receivable, $171.50. Geo. Baker owes me $350, D. McLennan owes me $222.50, D. H. Ellis owes $186, and F. Vanluven owes $293.-75. Liabilities; our Note favor of Jas. Hackett, $2,500.
Bought of G. Hobart on acct., 20 bags Rio Coffee (1,670 lbs.) at 15c; 15 tierces Rice (7,500 lbs.) at 4c; 15 hhds. Cuba Sugar (14,000 lbs.) at 5c.

" 2, Bought of D. Taggart for Cash, 12 hhds. Molasses (720 gals.) at 40c; 20 boxes Soap (1,450 lbs.) at 8c; 10 bbls. Pork (2,000 lbs.) at 10c.

" 3, Sold H. Newman on acct., 30 lbs. Coffee at 18c; 20 lbs. Rice at 5½c; 100 lbs. Sugar at 6c. Received Cash of Geo. Baker in full of acct.

" 4, Paid Cash for Stationery and incidental Expenses, $20.

" Sold A. McNeil on acct., 1 bag Rio Coffee (80 lbs.) at 18c; 20 gals. Molasses at 50c; 30 lbs. Rice at 5½c. Bought of S. Wallace for Cash, 300 lbs. Cheese at 20c; 250 lbs. Butter at 18c. Sold J. R. Renn on his Note at 30 days, 5 boxes Soap (350 lbs.) at 10c; 6 bags Coffee (485 lbs.) at 16c.

" 6, Bought of G. M. Duff on our Note at 10 days, 40 h f. chests Y. H. Tea (2,356 lbs.) at 35c. Sold Chas. Strange for Cash, 10 h f. chests Tea (580 lbs.) at 38c; 100 lbs. English Dairy Cheese at 22c.

" 9, Sold S. M. Davis for Cash, 50 lbs. Butter 20c; 50 lbs. Coffee at 18c; 30 gals. Molasses at 50c.

" 10, Sold Harvey Chown for Cash, 30 gals. Molasses at 50c; 10 lbs. Rice at 6c; 1 box Soap (75 lbs.) at 10c.

" 12, Paid Clerk's Salary in Cash, $15. Bought of Jas. Simson on acct., 15 bbls. Crushed Sugar (2,520 lbs.) at 10c.

" 15, Received Cash on acct, of D. McLennan, $100. Sold W. A. Wilmot on acct., 5 h f. chests Tea (275 lbs.) at 50c; 50 lbs. English Dairy Cheese at 23c; 25 lbs. Rice at 5c. Sold D. McLennan on acct., 20 gals, Molasses at 50c; 3 boxes Soap (210 lbs.) at 10c.

" 16, Received Cash in full of D. H. Ellis' acct., $——. Sold J. W. Shibley for Cash, 2 bbls. Crushed Sugar (330 lbs.) at 11c.

" 17, Sold Lewis Lyman on acct., 50 lbs. Rio Coffee at 20c ; 100 lbs. Sugar at 11c.

" 19, Paid Cash in full for our Note, favor of G. M. Duff, due this day, $824.60.

" 20, Sold Robert Burns for Cash, 100 lbs. Sugar at 11c. Received Cash of D. McLennan in full of acct. to date, $153.50.

" 22, Paid Jas. Simpson Cash in full of acct., $252. Sold Philip Stone for Cash, 4 h f. chests Tea (225 lbs.) at 50c.

" 23, Sold W. A. Wilmot on acct,, 50 lbs. English Dairy Cheese at 25c ; 75 lbs. Sugar at 11c ; 15 lbs. Coffee at 20c ; 2 boxes Soap (140 lbs.) at 10c.

" 25, Sold A. McNeil on acct., 2 hhds. Cuba Sugar (1850 lbs.) at 6c. Received Cash in full for H. Douglass' Note, due to-day $171.50.

" 27, Paid Cash for Store Rent, $100. Mdse. unsold amounts per Inventory to $2,500.

Show that the above transactions, properly entered, will produce the results shown in Trial Balance below. Make out Test Statement as in preceding sets.

Face of Ledger.	Dr.		Cr.	
Student	2500		3045	95
Cash	3242	50	1920	60
Bills Receivable	284	10	171	50
Bills Payable	824	60	3324	60
Mdse. (Inventory $2,500)	3036	10	961	45
A. McNeil	137	05		
F. Vanluven	293	75		
Geo. Hobart			1250	50
H. Newman	33	50		
W. A. Wilmot	188			
Expense	135			
	10674	60	10674	60

Ledger Accounts with Space for Each for Series III.—Student, 6 lines; Cash, 18; Mdse., 20; Expense, 10; Bills Receivable and Bills Payable, 8 lines each; D. McLennan and W. A. Wilmot, 8 lines each; all other Personal Accounts, 5 lines each.

ADDITIONAL EXAMPLES FOR PRACTICE.

EXERCISE I.

Required: Stock, Balance and Loss and Gain accounts, properly closed, from the following Trial Balance:

TRIAL BALANCE.

	Dr.		Cr.	
Stock			9500	
Cash	15000		6840	
Mdse. (Inventory $9,875)	18700		12460	82
Bills Receivable	6700		4000	
Bills Payable	6200		19224	03
Store Expense	300			
Interest and Discount	40	75	10	90
N. O. Chichester	2400		5400	
Stock's Private Account	50			
H. R. R. R. Stock (Inventory $4,500)	8000		5300	50
Travelling Expense	65			
First National Bank	11200		8630	
J. N. & G. W. Candee	3000			
Salary Account	110	50		
Loss and Gain	30		280	
Commission			150	
	71796	25	71796	25

EXERCISE II.

Student commenced business without a capital. At the end of the year his Ledger exhibited the following Balances:

Balances.	Dr.	Cr.
Cash	4500	
Mdse.		1575
John Wilson	1500	
Robert Blake	1200	
H. A. Dunlop		1875
H. E. Baiden		4725
Bills Receivable	1900	
Bills Payable		1100
Expense	175	
	9275	9275

What did he gain?

What is he worth at the end of the year?

60.—ELUCIDATION OF SHIPMENTS ON SOLE ACCOUNT.

ANY PERSON HAVING GOODS WHICH HE CANNOT DISPOSE OF TO ADVANTAGE AT HOME, OFTEN SENDS THEM TO SOME MERCHANT DOING BUSINESS IN ANOTHER PLACE, BY THIS MEANS FREQUENTLY FINDING A BETTER MARKET.

61. ***Adventure***, as a Ledger title, represents Mdse., or other property shipped by you to be sold on your account and risk. The name implies risk, and when shipping goods you apply this term in order that you may know what a certain shipment costs and produces you.

It is charged when the goods are shipped, for their full value and for all costs; it is credited for the net proceeds, when the Account Sales is received, by making the person to whom the goods were shipped, or whatever he has remitted you in payment for it, Dr. to the Adventure. If an Account Sales has been received, with goods all sold, after posting to the Ledger, it is closed To or By Loss and Gain. If an account of partial sales has been received, and you wish to close the Ledger, Adventure is credited by Inventory for the unsold goods at cost, and closed To or By Loss and Gain. If no Account Sales has been received, it is closed by *Balance for enough to close the account.*

62. ***Consignor*** is a name given to the shipper of goods.

Consignee is the person to whom the goods are shipped.

Consignment is a name by which you keep an account of goods or other property received by you to sell on account and risk of the shipper or shippers. It is *debited* for all charges paid by you when received, and all costs accruing on the same while in your possession, and *credited* for all sales. It is closed by making it Dr. to your commission, or any other unposted charges, and to the consignor for his net proceeds, or to whatever you remit him. In either case, the account balances when posted in the Ledger. Consignment is *never* credited with unsold goods, as they are not your property, but belong to the shipper.

ILLUSTRATIVE EXAMPLES.

WILSON'S BOOKS.

Day Book Entry when the Goods are Shipped.

Shipped J. Brown, Toronto, to be sold on my account and risk—
500 bbls. Apples at $2.50 ..... $1,250
Paid Cartage in Cash 50

Journal Entry when Goods are Shipped.

Adv. to Brown..... $1,300
To Mdse..... $1,250
" Cash 50

Day Book Entry when the Account of Sales is Received.

Received of J. Brown on account Sales of Apples, shipped him for sale on my account and risk. He retains proceeds.
My net proceeds per account sales are $1,225

Journal Entry when the Account of Sales is Received.

J. Brown $1,225
To Adv. to Brown..... $1,225

Ledger Account.

ADV. TO J. BROWN.

	To Sundries	1300			By J. Brown	1225	
					" L. & Gain	75	
		1300				1300	

J. BROWN'S BOOKS.

Day Book Entry when the Goods are Received.

Received of W. Wilson, Kingston, to be sold on his account and risk—
500 bbls. Apples, invoiced at $2.50
Paid Freight with Cash 80

Journal Entry when the Goods are Received.

W. Wilson's consignment..... .. $80
To Cash..... ..... $80

I do not debit the consignment for the full value of the goods because the goods still belong to the shipper.

Day Book Entry when the Goods are Sold.

Sold L. A. Fell the apples belonging to Wilson's consignment @ $2.75 per bbl. Received in payment his Note for $1,000; Cash for balance.

Journal Entry when the Goods are Sold.

Bills Receivable.... ..... $1,000
Cash..... 375
To Wilson's consignment..... $1,375

Day Book Entry when the Account Sales is Rendered.

Closed the consignment from Kingston and rendered W. Wilson an Acct. Sales, giving him credit for his net proceeds.					
Total Sales		$1,375			
Charges posted	$80 00				
Com. @ 3%	41 25				
Stor.	28 75	150	70		
Wilson's net proceeds		$1,225	1225		1295

Journal Entry for Closing Consignment.

W. Wilson's cons'gt..... ..... $1,295
To Com..... ..... $ 41 25
" Storage 28 75
" W. Wilson..... 1225 00

Ledger Account.

W. Wilson's Cons'gt.

	To Cash	80		By Bills Rec.		1000	
	" Com.	41	25	" Cash		375	
	" Storage	28	75				
	" W. Wilson	1225					
		1375				1375	

We will now give a short set, designed for practice in a general business in shipping property to and receiving property from other parties to be sold on commission. The student should study carefully the principles illustrated in preceding examples.

SET SIX.

SHIPPING AND COMMISSION.

Books Used :—Day Book, Journal, Ledger, Cash Book and Bill Book.

February 1, 1885.

Student commenced the Grain and Commission Business, investing Cash			6000
2			
Bought of E. Woods for Cash 2,000 bus. Oats @ 45c			900
3			
Shipped G. A. Allen, Prescott, to be sold on my account and risk 1,000 bus. Oats, invoiced @ 45c	450		
Paid Cartage in Cash	5		455
5			
Received from Fred. Clark, Barrie, to be sold on his account and risk 500 bus. Spring Wheat @ $1.25 $625			
Paid Freight in Cash			30
7			
Received from G. A. Allen an Account Sales of the Oats shipped him on 3rd inst., to be sold on commission My net proceeds remitted in Cash			485
8			
Sold for Cash from Clark's consignment, No. 1 500 bus. Wheat @ $1.50			750
9			
Closed Clark's consignment, No. 1, and rendered an Acct. Sales, remitting him Cash for proceeds			
Total Sales $750			
Posted Charges $30			
Com. @ 2% 15		15	
Storage 5		5	
Total Charges 50			
Clark's net proceeds $700	700		720

N.B.—Write up the remaining part of the Day Book from the transactions, observing the same clear and concise form of expression as in preceding matter.

Feb. 10—Bought of J. C. Chapman on account, 1,000 bus. Barley @ 90c. Paid R. J. Dickinson's bill for office Books and Stationery in Cash, $31.25.

" 11.—Shipped Chas. Row, Prescott, to be sold on my account and risk, 250 bus. Oats @ 45c. Paid Cartage in Cash, $2.

" 12—Bought of W. Vaness on my Note at 10 days with interest, 3,500 bus. Barley @ 90c.

" 13—Received from W. J. Shibley, Murvale, to be sold on his account and risk, 1,000 bus. Wheat, invoiced at $1.20. Paid Freight in Cash, $65.

" 15—Sold N. C. Polson on his Note at 5 days from W. J. Shibley's consignment, 400 bus. Wheat @ $1.40.

" 16—Paid J. C. Chapman Cash on account, $300.

" 16—Received from Chas. Row, Prescott, an account sales of Oats shipped him 11th inst., to be sold on commission. Net proceeds to my credit, $102.75.

" 17—Sold John A. McDonald on account, 250 bus. Oats @ 50c, $——. 1,500 bus. Barley @ $1, $——.

" 18—Received from Fred. Clark, Barrie (2nd cons'gt), to be sold on his account and risk, 300 bus. Wheat, invoiced at $1.25. Paid Freight with Cash, $18.

" 19—Sold R. S. Day on account from W. J. Shibley's cons'gt., (No. 1), 600 bus. Wheat at $1.42, $——.

" 19—Closed cons'gt. from Murvale and rendered an account sales. We retain proceeds. Total sales, $1,412; posted charges, $65; storage, at 1c per bus., $10; commission, 2% on sales, $——. W. J. Shibley's net proceeds, $1,308.76.

" 21—Shipped and consigned to G. A. Allen, Prescott, (2nd shipment), to be sold on my account and risk, 500 bus. Oats at 45c, $——; 500 bus. Barley at 90c, $——.

" 22—Sold for Cash from Clark's cons'gt. (No. 2), 100 bus. Wheat at $1.35.

" 23—N. C. Polson paid his Note of 15th inst. in Cash. We remitted the Cash to W. J. Shibley on account.

" 24—Bought of C. F. Fraser on my Note at 25 days with interest 3,000 bus. Mixed Oats at 40c.

" 24—Received from M. Moran, Prescott, to be sold on his account and risk, 800 bus. Corn. Paid Freight in Cash, $60.

" 25—Paid my Note of 12th inst. in Cash.

" 25—Shipped and consigned R. McNeeley, Trenton, to be sold on my account and risk, 2,000 bus. Mixed Oats at 40c ; 1,500 bus. Barley at 90c. Paid Insurance in Cash, $10.75.

" 26—Received from G. A. Allen, Prescott, an account sales of Barley and Oats shipped him on 21st inst., to be sold on commission. My net proceeds remitted me in Cash, $798.99.

" 26—Received Cash of Chas. Row, Prescott, in full of account, $-——.

" 27—Accepted W. J. Shibley's Draft on me at 15 days' sight, $500.

" 29—Sold for Cash from Clark's cons'gt. (No. 2), 100 bus. Wheat at $1.37, $——.

" 29—Received of R. S. Day his Note at 20 days with interest, to balance his account.

" 29—Paid Rent of the Warehouse for the month, $50 ; and Clerk hire in full to date, $25 Cash. Have this day taken an Inventory and find unsold the following goods :

1,000 bus. Barley, valued at 90c	$900	
1,000 " Mixed Oats, " " 40	400	
		$1,300 00
Adv, to R. McNeeley, Trenton		2,160 75

Having finished the Day Book, you will proceed to Journalize, bearing in mind that you are to keep a Cash Book in which all Cash items are entered directly from the Day Book. Post from both Cash Book and Journal to the Ledger. Open a separate account for each Adventure and for each Consignment. Give Mdse. account one-half page ; Cash, Bills Receivable, Bills Payable, Storage and Commission, one-third page each ; all other accounts, one-quarter of a page each.

TRIAL BALANCE.

	Dr.		Cr.	
Student			6000	
Cash	8408	74	5353	83
Mdse. (Inventory $1,300)	6150		5012	50
Adv. to G. A. Allen (No. 1)	455		485	
Storage			15	
Commission			43	24
J. C. Chapman	300		900	
Expense	106	25		
Adv. to Chas. Row (No. 1)	114	50	102	75
Bills Pay.	3150		4850	
Bills Rec.	1412		560	
J. A. McDonald	1625			
Clark's Cons'gt. (No. 2)	18		272	
W. J. Shibley	1060		1308	76
Adv. to G. A. Allen (No. 2)	675		798	90
M. Moran's Cons'gt.	60			
Interests and Discount	6	83		
Adv. to R. McNeeley (Inventory $2,160.75)	2160	75		
	25702	07	25702	07

STATEMENT OF RESULTS.

Total Resources	$9,052 66	
" Liabilities	2,802 76	
Present Worth	$6,249 90	
Total Gains	374 78	
" Losses	124 88	
Net Gain	$249 90	
Student's Investment		$6,000 00
" Net Gain		249 90
Student's Present Worth		$6,249 90

63.—ELUCIDATION OF SHIPMENTS ON JOINT ACCOUNT.

64. ***Adventure Co.***, as a Ledger title, represents *your interest* in Mdse. or other property shipped by you to be sold on joint account and risk of yourself and other parties; or, when you buy an interest in goods shipped by other parties; or it may represent your interest where you receive intelligence that other parties have shipped to a third party, and that you are interested. Please notice that the term Adv. Co. is applied ONLY to your interest or share in the shipment.

It is charged for your interest and share of the costs in the speculation when the shipment is made, and at the same time debiting the parties interested with you for their share of the Mdse. and charges; it is *credited* with your share of the net proceeds when the account of sales is received; and, if the goods are all sold, closed to, or by, Loss and Gain. If an account of partial sales has been received, credit Adventure Co. with your share of proceeds as reported. Credit, by Inventory, for your share of unsold goods, and close the account into Loss and Gain. Should you wish to close the Ledger before Account Sales has been received, close Adventure Co. by Balance for enough to close the account.

65. ***Mdse. Co.***, as a Ledger title, represents goods received *by you* to sell on joint account and risk.

It is made Dr. to the shipper, when received, for your interest, and the charges on the full shipment. The shipper should be Cr. for your share in the goods (unless settled for at time of receiving them), the same as though bought of him on account.

Cr. Mdse. Co. for all sales,

Now, having in your possession the sales of the whole shipment, you must pay all charges on the shipment while in your hands, and give all interested parties Credit for their proceeds, unless settled for at the time you render Account Sales. In doing this, first deduct total charges (Freights, Commission, Storage, &c.), from total sales;

this leaves total *net* proceeds belonging to *all* parties. Find each party's share of these proceeds. Now, charge Merchandise Co. to Commission, to all other charges which have not been posted, to the shipper or shippers for their net proceeds, or, whatever you remit, and to Loss and Gain for your gain; if a losing operation, Loss and Gain is made Dr. to Mdse. Co. for your loss. Should the goods at closing be but partially sold, then Mdse. Co. should be Cr. in Ledger by inventory for YOUR SHARE of the Mdse. remaining on hand, the remainder belonging to the shipper or shippers.

RULE.—*For keeping an account of goods you ship to others for sale on joint account and risk: Debit "Adventure Co." for your interest in the goods, and your share of the expenses paid at time of shipping, and at the same time debit the parties interested with you for their share of the goods and expenses, and credit "Adventure Co." for your share of the proceeds when the Account Sales is received.*

L. A. FELL'S BOOKS.

Day Book Entry, when the Goods are Shipped.

Shipped A. L. Davis, Bath, to be sold on joint account and risk, each one-half—				
100 bbls. Flour, invoiced @ $6 per bbl.		600		
Paid Storage and Cartage, Cash		8		608
My one-half Invoice	$304			

Journal Entry when the Goods are Shipped.

Adv. Co. "A" $304
A. L. Davis..... 304
To Mdse..... $600
" Cash 8

Day Book Entry when the Account Sales is Received.

Received of A. L. Davis an Account of Sales of Flour shipped him, to be sold on joint account. My net proceeds as per Account Sales, which he places to my credit, $400

Journal Entry when the Account Sales is Received.

A. L. Davis..... ..... $400
To Adv. Co. "A"..... $400

Ledger Account.

DR. ADV. Co. "A." CR.

	To Sundries	304			By A. L. Davis(net proceeds)	400	
	" Loss & Gain	96					
		400				400	

RULE.—*For keeping an account with goods you receive to be sold on joint account and risk,—entry when goods are received: Debit "Mdse Co." for your share in the goods and for the expenses paid on the full shipment. The shipper should be credited for your share in the goods (unless settled for at time of receiving), the same as though bought of him on account.*

A. L. DAVIS' BOOKS.

Day Book Entry, when the Goods are Received.

Received of L. A. Fell, Kingston, for sale on joint account and risk, each one-half—				
100 bbls. Flour @ $6	$600			
Paid Freight and Cartage with Cash		150		
My one-half Invoice		304		454

Journal Entry when the Goods are Received.

Mdse. Co. "A".. .. .. $454
To L. A. Fell $304
" Cash..... .. 150

Day Book Entry, when the Goods are Sold.

Sold Wm. Gardiner the Flour belonging to Mdse Co. "A"—				
100 bbls. @ $10 per bbl.				1000
Received in payment, his Note @ 30 days		500		
and Cash for balance		500		

Journal Entry when the Goods are Sold.

Bills Receivable $500
Cash..... 500
To Mdse. Co. "A"..... ..... $1,000

RULE.—*For closing a Mdse. Co. Debit the Mdse. Co. for the commission and any other* UNPOSTED *charges, for the shipper's share of the net proceeds, and for your share of the gain. When a Loss, debit the Mdse. Co. for the commission and any other* UNPOSTED *charges, and for the shipper's share of the net proceeds; then debit Loss and Gain, and credit the Mdse. Co. for your share of the Loss. If you remit to settle for shipper's proceeds at time of rendering the account sales, credit what you remit instead of crediting the shipper.*

Day Book Entry for Account Sales.

	Closed Mdse. Co. "A" from Kingston and rendered L. A. Fell an Acc. Sales, giving him credit for his net proceeds				
	Total Sales		$1,000		
	Ch'gs. posted $150 Com. @ 5% 50	Total Ch'gs.	200	50	
	Total Net Proceeds		$ 800		
	Each one's Net. Pro. $400			400	
	" " ½ Invoice 304				
	" " Gain		$96	96	546

Journal Entry for Closing Mdse. Co.

Mdse. Co. "A"..... $546

To Commission..... ..... $ 50

" L. A. Fell 400

" Loss and Gain..... 96

Ledger Account.

DR. MDSE. CO. "A." CR.

	To L. A. Fell ½ Inv	304		By Bills Rec.	500
	" Cash	150		" Cash	500
	" Com.	50			
	" L. A. Fell (net pro)	400			
	" Loss & Gain	96			
		1000			1000

EXAMPLES FOR PRACTICE.

No. 1.

1. Day shipped Mdse. to Knight for sale on commission, invoiced at $1,200, and paid Shipping Expenses with Check on Bank, $40.

2. Knight, on receipt of goods, paid Freight with his Note at 10 days, $80.

3. Knight sold the entire shipment for 1,300, and received in payment Sight Exchange on New York, $700; his own acceptance favor of Wilson, due to-day, $500; Cash for balance.

4. Knight charged 3% Commission, $15 Storage, and rendered an Account Sales, giving Day credit for his net proceeds.

5. Day's entry on receipt of Account Sales.

Work both on Sole and Joint Account.

Sole Account.			Joint Account.		
(Day's Journal.)			*(Day's Journal.)*		
Adv. to Knight	$1,240		Adv. Co	$620	
To Mdse		$1,200	Knight	620	
" Bank		40	To Mdse		$1,200
			" Bank		40
(Knight's Journal.)			*(Knight's Journal.)*		
Day's Cons'gt	$80		Mdse. Co.	$700	
To Bills Pay.		$80	To Bills Pay.		$ 80
			" Day		620
(Knight's Journal.)			*(Knight's Journal.)*		
Cash.	$800		Cash.	$800	
Bills Pay.	500		Bills Pay.	500	
To Day's Cons'gt.		$1,300	To Mdse. Co.		$1,300
(Knight's Journal.)			*(Knight's Journal.)*		
Day's Cons'gt	$1,200		Mdse. Co.	$637	
To Com.	$ 39		Loss & Gain	37	
" Stor.	15		To Com.		$ 39
" Day	1,166		" Storage.		15
			" Day		583
(Day's Journal.)			" Mdse. Co		37
			(Day's Journal.)		
Knight	$1,166		Knight	$583	
To Adv. to Knight		$1,166	To Adv. Co.		$583

EXAMPLE NO. 2.

1. Brough shipped Mdse. to Byers, for sale on Commission, invoiced at $1,600, and paid Shipping Expenses with Sight Draft on R. Finlay, $60.

2. Byers, on receipt of goods, paid $40 Freight with Brown's Note, which he sold.

3. Byers sold the goods for $1,800 and received in payment Sight Draft on Jones for $400; Draft at 10 days' sight on H. Cormack for $600 at 2% Dis. and Note at 30 days for balance.

4. Byers charged 3% Commission, $20 Storage, and rendered an Account Sales, remitting his Draft at 10 days' sight on E. Mooers to settle in full with Brough.

5. Brough's entry on receipt of Account Sales.

Work both on Sole and Joint Account.

SOLE ACCOUNT.

(Brough's Journal.)

Adv. to Byers	$1,660	
To Mdse		$1,600
" R. Finlay		60

(Byers' Journal.)

Brough's Cons'gt.	$40	
To Bills Rec.		$40

(Byers' Journal.)

Cash	$ 400	
Bills Rec.	1,412	
To Brough's Cons'gt.		$1,800
" Int. & Discount		12

(Byers' Journal.)

Brough's Cons'gt.	$1,760	
To Com.		$ 54
" Storage		20
" E. Mooers.		1,686

(Brough's Journal.)

Bills Rec.	$1,686	
To Adv. to Byers		$1,686

JOINT ACCOUNT.

(Brough's Journal.)

Adv. Co	$830	
Byers	830	
To Mdse		$1,600
" R. Finlay		60

(Byers' Journal.)

Mdse. Co.	$870	
To Brough		$830
" Bills Rec.		40

(Byers' Journal.)

Cash	$ 400	
Bills Rec.	1,412	
To Mdse. Co.		$1,800
" Int. & Discount		12

(Byers' Journal.)

Mdse. Co	$930	
Brough.	830	
To Com.		$ 54
" Storage		20
" E. Mooers.		1,673
" Loss & Gain		13

(Brough's Journal.)

Bills Rec.	$1,673	
To Byers		$830
" Adv. Co		843

EXAMPLE NO. 3.

1. S. Calvin ships mdse. to W. Kent for sale on joint account and risk invoiced at $10,000, and paid shipping expenses and insurance with check $240.

2. Kent on receipt of mdse. paid freight with sight draft on Wilson $400.

3. W. Kent sold the goods to A. Gourdier at $11,500 and received in payment his own note short due 15 days, on which he is allowed interest at 10% per annum, face of note $3,000, and a certified check on City Bank for balance.

4. Kent charged 3% commission, $40 storage, and rendered an account, sales remitting his note to settle for original ½ invoice and net proceeds due A.

5. What Journal Entry did A make when he received the account sales.

Work out both on Joint and Sole Account as in preceding Examples.

EXAMPLE NO. 4.

1. Black shipped mdse. to White for sale on joint account and risk invoiced at $9,000. The goods were insured under open policy D. C. Co. at ⅛ of 1% premium.

2. White on receipt of goods paid freight $60 with check on City Bank.

3. White sold the goods at an advance of 25% on invoice price, receiving in payment his own acceptance for $200, past due 17 days, on which he allowed interest at 1 per cent. a month, and Smith's note at 30 days for balance.

4. White charged 2½ per cent. commission and ½ per cent, storage and rendered an account sales remitting sight draft on Jones Bros. to settle in full with Black.

5. Give Black's Journal Entry on receipt of Account Sales.

Work both on Joint and Sole Account.

EXAMPLE NO. 5.

1. Deane shipped mdse. to Craig for sale on joint account of himself, consignee and Whitney, each ⅓ invoiced at $1,500, paid insurance at 1 per cent. on 20 per cent. advance on invoice price.

2. Craig on receipt of goods paid freight $40 with his note at 60 days.

3. Craig sold the goods to H. Jack for $1,600, receiving in payment Jack's 10 days' draft on Rees for $800 at 1½ per cent. discount; Sight exchange on New York for $560 at ⅛ per cent. premium and balance on account.

4. Craig charged 2½ per cent. commission, $20 storage, and rendered Deane & Whitney each an Account Sales, retaining proceeds.

5. Give Deane & Whitney's Journal Entry on receipt of Account Sales.

67.—REVIEW OF REPRESENTATIVE ACCOUNTS (SHIPMENTS.)

1. What does the Ledger title "Adventure" represent?
2. When, and for what is this account Dr.?
3. When, and for what is this account Cr.?
4. How does this account close—no account sales received?
5. How does this account close—full account sales received?
6. How does this account close—partial account sales received?
7. What does the Ledger title "Adventure Co." represent?
8. When, and for what is it Dr.?
9. When, and for what is it Cr.?
10. How closed—no account sales received?
11. How closed—full account sales received?
12. How closed—partial account sales received?
13. What does the term "Consignment" represent?
14. When, and for what is it Dr.?
15. When, and for what is it Cr.?
16. What is the account sales Journal entry?
17. How does the account close—no sales?
18. How does the account close—partial sales?
19. How does the account close—goods all sold, and an account sales rendered?
20. What does the title "Merchandise Co," represent?
21. When, and for what is it Dr.?
22. When, and for what is it Cr.?
23. What is the closing Journal entry—(showing gain)?
24. What is the closing Journal entry—(showing loss)?
25. How does the account close—no sales made?
26. How does the account close—partial sales?
27. How does the account close—goods all sold, and an account sales rendered?

68.—JOURNAL DAY BOOK.

Business items for a short set designed to illustrate the form and use of a book combining all the essential points of the separate Day Book and Journal. Many of the best business houses prefer the Journal Day Book because it is both plain and practical.

May 1—Student commenced business with the following Resources and Liabilities: Cash on hand, $5,000; Warehouse valued at $6,000. I owe Robt. Hillyard on my acceptance at 60 days from March 23rd last, $2,000; Geo. Green on acct., $1,500.

" 2—Bought of S. Lake, 2,000 bus. Barley @ $1.50, $——. Paid him Cash, $1,500; accepted his Draft at 60 days for balance, $1,500.

" 4—Sold M. Baxter, 1,000 bus. Barley @ $1.80, $——. Rec'd. Cash, $1,000; his Note at 90 days for balance, $800.

" 5—Accepted Geo. Green's Draft on me at 10 days' sight, favor W. H. Jordan, for $1,000.

" 7—Prepaid my acceptance of March 23rd, favor of Robt. Hillyard, he allowing me discount @ 7% for 18 days. Paid Cash, $1,993; dis. off, $7.

" 8—Received Cash of S. Scobell for storage of goods in my warehouse, $60.

" 10—Sold to Robert Lee, 500 bus. Barley @ $1.90, $——. Received in payment Cash, $400; balance on acct.

" 12—Received of M. Baxter, Cash to apply on his Note of 4th inst., $500.

" 13—Gave Geo. Green on account, my Draft on Robt. Lee for $300.

" 15—Bought goods for Ed. Watts, of Toronto. Received Cash for my commission on purchase, $40.

" 20—Sold Thos. Marsh my Warehouse for $5,500; 500 bus. Barley @ $1.55, $——. Received in payment his Draft on Henry Davis at 10 days' sight for $5,000; balance in Cash, $1,275.

" 25—Paid Clerk's Salary in Cash to date, $50.

69.—FORM OF JOURNAL—DAY BOOK.

In writing up this book make your Journal entry first from the record of transactions, and write the explanation under it in a smaller hand, as shown in the form below, where a sufficient number of entries have been made to serve as examples, the student will be expected to write out the entire set,

OTTAWA, 1st MAY, 1886.	DR.	CR.
Cash	5000	
Real Estate	6000	
To Bills Payable		2000
" Geo. Green		1500
" Student		7500
The above make up the Resources and Liabilities of Student who commences business this day at 120 Rideau St., Ottawa.		
2		
Mdse.	3000	
To Cash		1500
" Bills Payable		1500
Bought of S. Lake, Trenton, Ont., 2000 bus. Barley @ $1.50 $3000		
Gave in payment, cash 1500		
Accepted his draft at 60 days 1500		
4		
Cash	1000	
Bills Receivable	800	
To mdse.		1800
Sold M. Baker, Bath, Ont., 1000 bus. Barley at $1.80 $1800		
Received in payment, cash 1000		
His note at 90 days for balance 800		
5		
Geo. Green	1000	
To Bills Payable		1000
Accepted Geo. Green's draft on us at 10 days' sight, favor of W. H. Jordon, face of draft $1000		
7		
Bills Payable	2000	
To Cash		1993
" Interest and Discount		7
Prepaid our acceptance of 23rd inst., favor of R. Hilliard		
He allowed us discount of 7% for 18 days		
Face of draft $2000		
Discount 7		
Proceeds for which we paid cash 1993		

Having written up the Journal Day Book, post the Ledger, take off Trial Balance and Test Statement and close the ledger.

Ledger Accounts with space for each, Student 5 lines, Cash 12, Real Estate 5, Bills Payable 7, Geo. Green, Mdse., Bills Receivable, Discount, Storage, Robt. Lee, Commission and Expense each 5 lines.

TRIAL BALANCE.

	Dr.	Cr.
Student		7500
Cash	8275	3543
Real Estate	6000	5500
Bills Payable	2000	4500
Geo. Green	1300	1500
Mdse	3000	3525
Bills Receivable	5800	500
Storage		60
Interest and Discount		7
Robt. Lee	550	300
Commission		40
Expense	50	
	26975	26975

70.—SPECIAL COLUMN JOURNAL.

This Journal is provided with special columns for those accounts most used in business. It is a form that can be used to advantage in almost any kind of business.

The advantage of using this form of Journal is in the saving of time and labor in posting these accounts, the items of which are carried to the Special Columns. The footings only of these columns being posted daily, weekly or monthly as desired.

All items for which no special columns are provided are placed in the sundries column and each item posted separately as from the ordinary Journal.

In the illustrative Set which follows we provide special columns for Merchandise and Cash. The number of special columns is not limited, however; any account which is of sufficient importance may have a special column. In preceding Journal Forms both Debit and Credit columns have been on the right hand side of the explanation column. In this Set we have placed the columns for Debit items on the left hand side of explanation column, and for Credit items on the right hand side.

All debit items except Mdse. and Cash must be placed in the left hand Sundries column, and all credits in the right hand Sundries column.

At the foot of each page the separate columns are to be added up and proved before being carried forward. The sum of the debit column footings should equal the sum of those on the credit side.

In this set it is designed to post the footings of mdse. and cash at the close of the set only. The items in the Sundries column may be posted daily, if necessary, as in the case of the ordinary Journal.

The memoranda of transactions of the preceding set, page 125, are used in illustrating this method.

The books to be used are the Special Column Journal, Bill Book and Ledger.

The form of the Journal is shown on pages 129 and 130.

The explanations here given together with the Trial Balance on page 127, should enable the Student to write up the complete set from the memoranda.

71.—FORM OF SIX-COLUMN JOURNAL.

KINGSTON, MAY 1, 1885.

CASH.	MDSE.	SUND'S.		LF	SUND'S.	MDSE.	CASH.
			Student commenced business with the following Resources and Liabilities—				
5000			CASH				
		6000	REAL ESTATE				
			To Bills Payable		2000		
			" Geo. Green		1500		
			" Student		7500		
			2				
	3000		MDSE				
			To Cash				1500
			" Bills Payable		1500		
			Bought of S. Lake, 2,000 bus. Barley @ $1.50.				
			Gave in payment, Cash $1,500				
			Accepted his Draft at 60 days for balance 1,500				
			4				
1000			CASH				
		800	BILLS RECEIVABLE				
			To Mdse.			1800	
			Sold M. Baxter, 1,000 bus. Barley @ $1.80.				
			Received in payment, Cash 1,000				
			His Note as per B. B. for balance 800				
			5				
		1000	GEO. GREEN				
			To Bills Payable		1000		
			Accepted his Draft at 10 days' sight favor W. H. Jordan, for 1,000				
6000	3000	7800	. . . . . *Amounts Forward*		13500	1800	1500

KINGSTON, MAY 5, 1885.

CASH.	MDSE.	SUND'S.		LF	SUND'S.	MDSE.	CASH.
6000	3000	7800	. . . . . *Amounts Forward*		13500	1800	1500
		2000	BILLS PAYABLE				
			To Cash				1993
			" Int. & Dis		7		
			Prepaid my acceptance favor R. Hillyard, he allowing me a discount of 7% for 18 days...				
			Face of acceptance.....$2,000				
			Discount..... 7				
			1,993				
			8				
60			CASH				
			To Storage		60		
			Rec'd Cash of S. Scobell for Storage.....				
			10				
400			CASH				
		550	ROBT. LEE				
			To Mdse			950	
			Sold Robt. Lee, 500 bus. Barley @ $1.90.				
			Rec'd in payment, Cash..... 400				
			Balance on account..... 550				
			12				
500			CASH				
			To Bills Receivable		500		
			Rec'd Cash of M. Baxter to apply on his Note of 4th inst				
			13				
		300	GEORGE GREEN				
			To Robt. Lee		300		
			Remitted Geo. Green a Draft on Robt. Lee to apply on acct				
6960	3000	10650	Sundries		14367	2750	3493
		3000	Mdse		2750		
		6960	Cash		3493		
		20610			20610		

WHOLESALE BUSINESS.

(72.)

The principal books used in our best wholesale houses now are the Invoice Book, Sales Book, Cash Book, Journal, Bill Book and Ledger, the posting being done directly from these books to the Ledger.

The form and use of these books have been explained already, except of the Invoice Book and Sales Book.

78. The ***Invoice Book*** is kept for the purpose of entering therein all purchases of mdse.

At the end of each week or month the total footings of this book may be posted to the Dr. side of Mdse. account, and credit the personal or other accounts affected throughout the Invoice Book. Where the purchase was made for cash enter the amount on the credit side of the Cash Book by Mdse. Mdse. will then be debited in the footings of the Invoice Book, and cash will be credited in the footings of the Cash Book.

When a cash purchase is entered mark "C. B." in the folio column opposite the name of the seller.

N.B.—In many business houses the Invoice Book is made up by posting the invoices received into the book, and in many respects this method is preferable.

74.—FORM OF INVOICE BOOK.

10TH AUGUST, 1886.

L. F.					
	E. Finlay, Toronto.				
	1 pc. English Tweed 24¾ yds. @ $1.15	28	46		
	2 pcs. worsted 25½ / 22 } 47½ " " 1.55	73	63		
	1 pc. French coating 28½ " " 2.10	59	85		
	1 pcs. Moleskin 30¼ " " 1.70	51	43		
				213	37
	Note at 4 months.				
	12				
	E. F. Ganlin, Deseronto.				
	1 pc. French Tweed 24 yds. @ $1.25	30			
	1 pc. Cottonade 29 " " 95	27	55		
	1 pc. Doeskin 21½ " " 2.65	56	98		
				114	53
	On account 30 days.				
	15				
	J. P. Byers & Co., Gananoque.				
	1 pc. Cottonade 27¾ yds. @ $1.05	29	14		
	1 pc. French Tweed 24⅝ yds. @ $1.40	34	48		
	1 pc. Melton 21½ " " 2.80	60	20		
				123	82
	Cash.				
	18				
	H. Kelley & Co., City.				
	50 bus. Wheat @ $1.50	75			
	100 bus. W. Oats @ 60c	60			
	90 bus. Chili Potatoes @ 50c	45			
	5 bbls Mess Pork @ $12.50	62	50		
				242	50
	60 days' Credit.				
	20				
	J. N. Wilson, Brockville.				
	24 bus. Wheat @ $1.60	38	40		
	48 " Barley " 80c	38	40		
	36 " White Oats @ 60c	21	60		
	20 " Corn @ 50c	10			
				108	40
	Note at 3 months.				
				802	62

75.—SALES BOOK.

This book is kept for the purpose of entering therein all sales of merchandise.

This book is posted in a similar manner to the Invoice Book, being careful to credit Mdse. for the footings of the Sales Book, and debit cash and other accounts when affected.

76.—FORM OF SALES BOOK.

12 Aug., 1886.

L. F.	J. D. Shibley, Harrowsmith.				
	1 pc. English Tweed $20\frac{5}{8}$ yds. @ $1.15	23	72		
	1 pc. Canadian " $29\frac{1}{4}$ " " 1.00	29	25		
	2 pcs. Scotch " $28\frac{3}{4}$ / $29\frac{1}{2}$ } yds @ 1.00	58	25		
				111	22
	30 days credit.				
	14				
C. B.	Fred. Bullis, Lyn.				
	1 pc. Canadian Tweed $27\frac{1}{2}$ yds. @ $1.00	27	50		
	1 pc. Cotton Duck 26 " " 1.10	28	60		
	1 pc. Fur Beaver $22\frac{1}{2}$ " " 3.00	67	50		
	1 pc. English Tweed $26\frac{1}{2}$ " " 1.20	31	80		
				155	40
	Cash.				
	18				
	J. Cochrane, Kingston,				
	10 bbls. Mess Pork @ $14.50	145			
	20 bbls. Flour " 6.00	120			
	3 hhds. Sugar " 20.00	60			
	12 half chests Y. H. Tea, 72-12, 75-15, 70-18, 217-37, 180 @ 60	108			
				433	
	Note at 90 days.				
				699	62

SET SEVEN.

MANUFACTURING SET.

The Form of this set of books is similar in all essential particulars to that in one of the largest manufacturing firms in the country and was selected because it was both simple and practical.

The business represented is the manufacture and sale of Sole Leather, but the arrangement of the Set is as well adapted to the manufacture of Iron, Furniture, or other commodities as to this.

In any manufactory we deem it important that an accurate account be kept of the Raw Material purchased, of the quantity sent to the manufactory, and the return of it after being manufactured to the sales room and finally its sale as merchandise.

A very simple and effective method of doing this is here illustrated by use of extra columns in the Ledger. The number of Hides sent to the Tannery is given on the left side, and the number of sides returned on the right. Twice as many Sides should be returned as there were Hides delivered.

If any sales be made from the stock in Tannery before being transferred to the Sales Room make the Transfer Entry to Mdse. account and then Credit Mdse. account for the Sale.

The books required in writing up this Set are Journal, Day Book, Cash Book, Bill Book and Ledger.

MANUFACTURING SET.

MEMORANDA OF BUSINESS TRANSACTIONS.

Sept. 1, 1886.—Student has this day commenced the manufacture of Sole Leather with the following Resources and Liabilities: Cash on hand, $1,500; on Deposit in City Bank, $7,000; 100 Sides best slaughter Sole Leather, 2,300lbs. @ 33c., $759; 100 Sides good slaughter Sole, 2,050 lbs. @ 30c., $615; 200 Sides Buenos Ayres Sole, 2,800 lbs. @ 25c., $950; 50 Sides B. A. Sole, 925lbs. @ 21c., $194.25; 150 Dry Corpus Christi Hides, 4,200 lbs. @ 21c., $882; 130 Green Salted Hides, 9,100 lbs. @ 9c., $819; 200 Cords Bark @ $6.50, $1,300. J. Wooley's acceptance of 1st Aug. last $1,000. Tannery and Fixtures valued @ $10,000.

Liabilities—I owe F. S. Oliver on acct. $1,000; my note favor W. J. Ovens @ 60 days, $500.

" 4—Gave check on City Bank for F. S. Oliver's draft on me favor Merchants Bank, $1,000.

" 4—Bought of A. Oldreive, Ottawa, on acct., 150 Green Salted Hides (11,250 lbs.) @ 9½c, $——; 50 Green Salted Hides (grubby, 3,620 lbs.) @ 7c, $——; salting and binding, each 25c, $50.

" 5—Sold F. Shaw on acct., 30 sides best Slaughter Sole (675 lbs.) @ 34c, $——; Cartage, 50c.

Sept. 6—Sold F. A. Scott, Perth, on 2 mos.' time, 50 sides B. A. Sole (1,000 lbs.) @ 26c, $—— ; Cartage, 50c.

" 7—Delivered to Tannery Stock to be worked in, 200 Green Salted Hides (14,570 lbs.) Cost, $1,372.15; Freight, $72.50.

" 8—Paid the Tannery men wages for the week, $214 in Cash.

" 10—Sold M. Sills, Napanee, 50 Sides best Slaughter Sole (1,250 lbs.) @ 34c, $——; Cartage, 50c. Terms, 2 mos., 1% off, $——.

" 12—Bought of John Smeaton for Cash, 20 Carboys Acid (2,800 lbs.) @2c, $—— ; Carboys, each $1.75, $35.

" 13—Bought of F. S. Oliver, 200 Dry Hides (5,300 lbs.) @ 18. Coin, $954; baling 8 bales @ $1.50 each, $12; premium for coin @ 107½, $72.45.

" 14—Delivered to Tannery Stock to be worked, 150 Dry Corpus Christi Hides (4,030 lbs.) Cost, $882.

" 15—Sold F. Shaw at 4 mos., 75 Sides No. 1 Dry B. A. Sole (1,751 lbs.) @ 30c, $——; Cartage, 50c. Received Sight Draft on acct., $200.

" 16—Gave Check on City Bank for 600 cords Bark @ $6.50, $——

" 17—Paid C. P. RR. Frieght on 8 bales Dry Hides $82.50, with check on City Bank.

" 18—Delivered to Tannery Stock 200 Dry Hides, weight 5,180 lbs. Total cost $1,120.95.

" 19—Paid Cash for 20 bbls. Lime @ 90c. $18. Paid C. P. RR. Freight on Green Salted Hides Cash $72.50.

" " —Sold F. A. Scott at 60 days 20 Sides Good Slaughter Sole, 444 lbs., @ 31c., $——; Cartage 30c.

" " —Received of M. Sills his note @ 2 mos. from 10th inst., payable at Federal Bank, $421.25.

" 20—Sold Fred Scobell 300 Sides Dry Texas Sole, 7,275 lbs., @ 30c. $——

Paid my note favor of W. J. Ovens with check on City Bank $500.

" 21—City Bank Discounted M. Sills' note at 2 mos., face $421.25; Dis. off for 53 days @ 7%, $4.28; net proceeds to my Credit $416.97.

" 23—Sent to Tannery Stock to be worked in 180 Green Salted Hides, 9,100 lbs., cost $819.00.

" " —Bought of W. Squires 150 Dry Salted Hides, 4,687 lbs. at 18c., $843.66, paid with check on City Bank.

" 24—Paid Albert Scott Cash for 120 City Butchers' Hides—Green Salted—10,200 lbs. at 7c., $714.

" 26—Received from Tannery Stock 300 Sides Sole Leather, 6,150 lbbs. at 31c., $1,906.50.

" 28—Paid Cash for Labor $212.00 ; for Repairs $65.00.

INVENTORY SEPT. 30.

In Store	225 Sides Leather, 4,613 lbs. @ 31c...			1430	03
In Hide House.	150 Dry Salted Hides, 4,687 lbs. @ 18c.	843	66		
	120 Green Hides, 10,200 lbs. @ 7c....	714			
				1557	66
	620 Cords Bark @ at $6.50			4030	00
In Tannery....	250 Sides in Beam House Cost.....	923			
	800 Sides in Yard Cost.....	3760			
				4683	00
	Tannery and Fixtures.....			10000	00
				21700	69

The Student is already familiar with the form and use of the books used in this Set except in the case of the Ledger, wherein we have used additional columns in several of the accounts. These accounts will be written up and a few others directly connected with the manufacturing department. The Student will be expected to write up the entire Set.

It will be observed that we have debited Material Account, kept under the titles "Dry Hide" acct. and "Green Hide" acct. for all raw material purchased. We have credited these accounts and debited "Tannery Stock" when this material was sent to the Tannery. We have Credited "Tannery Stock" and Debited "Mdse. Account" when the manufactured goods were returned from the Tannery. Under the heading "Tannery Expense" we have kept an account of current expenses connected with the Tannery except "Bark," for which we have opened a separate account. Salary account or any other branch might be kept separately when desired and closed either into "Tannery Expense" or directly into "Tannery Stock."

Tannery Stock.

Dr. | Cr.

1886		Hides.	L. F.		1886		Sides.	L. F.	
Sept 7	To G. Hide Act	200		1444 65	Sept 26	By Mdse	300		1906 50
14	" Dry " "	150		882	30	" Inventory	1060		4693 50
16	" " " "	200		1120 95					
23	" Gr. " "	130		819					
30	" Tan'ry Expense			600					
30	" Bark {Ac't, 180 cords..			1170					
	" Loss & Gain			552 90					

Merchandise.

1886		Sides.	L. F.		1886		Sides.	L. F.	
Sept 1	To Student ...	450		2518 25	Sept 5	By Felix Shaw	30		230
26	" Tan'ry St'ck Ac't. ....."	300		1906 50	6	" F. A. Scott.	50		260 50
	" Loss & Gain			763 27	10	" M. Sills...	50		421 25
					15	" Felix Shaw	75		525 80
					19	" F. A. Scott.	20		137 94
					20	" F. Scobell..	300		2182 50
					30	" Inventory	225		1430 03

Dry Hide ac't.

1886		Hides.	L. F.		1886		Hides.	L. F.	
Sept 1	To Student ...	150		882 00	Sept 14	By Tan'ry Stc'k Ac't.....	150		882
	" F. S. Oliver	200		1038 45	18	" Tan'ry St'ck Ac't.....	200		1120 95
	" City Bank..			82 50	30	" Inventory	150		843 66
	" " " .	150		843 66					

Green Hide Ac't.

1886		Hides.	L. F.		1886		Hides.	L. F.	
Sept 1	To Student....	130		819 00	Sept 7	By Tan'ry St'ck Ac't.....	200		1444 65
4	" A. Oldrieve	200		1372 15	23	" Tan'ry St'ck Ac't.....	130		819 00
19	" Cash			72 50	30	" Inventory	120		714 00
24	" "	120		714 00					

Bark Ac't.

1886		Cords.	L. F.		1886		Cords.	L. F.	
Sept 1	To Student....	200		1300	Sept 30	By Tan'ry St'k Act.....	180		1170 00
16	" City Bank.	600		3900		" Inv'ty Act.	620		4030 00

Tannery Expense Ac't.

1886				1886			
Sept 7	To Cash		214	Sept 30	By Tan'ry Stock Act.		600
13	" "		91				
19	" "		18				
28	" "		277				

TRIAL BALANCE—SET VII.

	Dr.		Cr.	
Student			23519	25
Cash	313	50		
City Bank	1090	81		
Merchandise	4424	75	3757	99
Tannery Stock Account	4266	60	1906	50
" Expense "	600			
Bark Account	5200			
Bills Receivable	1000			
Interest	4	28		
Dry Hide Account	843	66		
Green " "	714			
Tannery and Fixtures	10000			
F. S. Oliver			1038	45
A. Oldrieve			1372	15
Felix Shaw	555	80		
F. A. Scott	398	44		
Fred Scobell	2182	50		
	31594	34	31594	34

Capital on Commencing Business	23519	25
Net Profit on Closing "	1311	89
" Capital " " "	24831	14

Ledger Accounts, with number of lines each, Student 6 lines, Cash 10, City Bank 10, Mdse. 12, Tannery Expense 7, Tannery Stock 12, Dry Hide and Green Hide Ac'ts each 8, Bark Ac't and Bills Receivable each 6, Bills Payable Interest and Discount, Tannery and Fixtures, F. S. Oliver, A. Oldrieve, M. Sills, Fred Scobell each 5, Felix Shaw, F. A. Scott, Loss and Gain each 6, Balance 15 lines.

78.—HANDS REGISTER.

In an extensive manufactory a book called the Hands Register is usually kept in which is entered the weekly earnings of and payments to all employees. The form below is the most simple and complete that we have seen.

The employee's time is "made up" from the Foreman's Time Book, see Form ——, and the amount due each is entered in the first vacant Cr. column opposite his name. When they have been paid the amount each has received is placed in the Dr. column opposite his name thus balancing the column. The Footing of the Hand Register is entered on the Credit side of Cash Book, By Labor Ac't, or "Tannery Expense since no separate account is kept with labor.

HANDS REGISTER.

	September 7.				September 14.				Sept. 21.
	Dr.		Cr.						
W. Jones	10	50	10	50					
S. Brown	11	75	11	75					
J. Wilson	12	80	12	80					
D. Johnson	6	50	6	50					
Robert Ray	16	90	16	90					
Wm. Bishop	5		5						
Thos. Place	8	30	8	30					
H. Smith	14	50	14	50					
L. Davis	14	50	14	50					
S. Newell	12	25	12	25					
W. J. Ovens (Foreman)	25		25						
G. V. Stuart (Book-keeper)	30		30						
R. S. Davy, (Asst. Book-keeper)	8		8						
Jas. Hackett (Salesman)	18		18						
A. L. Davis "	20		20						
	$214	00	214	00					

FOREMAN'S TIME BOOK.

For the Week Ending Sept. 7th, 1886.

Name.	M	T	W	T	F	S	Total	Daily Wages		Amount		Remarks.
W. Jones	1	1	1	1	1	1	6	1	50	10	50	Punctual.
S. Brown	1		1	1	1	1	5	2	35	11	75	Quick.
J. Wilson	1	1	1	½	1	1	5½	2	40	12	80	Steady.
D. Johnson	1	1	1	1	1		5	1	30	6	50	
Robert Ray	1	1	1	1		1	5	3	38	16	90	
Wm. Bishop		1		1	1	1	4	1	25	5		Irregular.
Thos. Place	1		1	1	1	1	5	1	66	8	30	Slow.
H. Smith	1	1	1		1	1	5	2	90	14	50	New hand.
L. Davis	1	1		1	1	1	5	2	90	14	50	
S. Newell		1	1	1	1	1	5	2	45	12	25	Discharged.
W. J. Ovens	1		1	1	1	1	5	5	00	25		Foreman.
G. V. Stuart	1	1	1	1	1	1	6	5	00	30		Book-keeper.
R. S. Day	1	1		1		1	4	2	00	8		Asst. "
Jas. Hackett	1	1	1	1	1	1	6	3	00	18		Salesman.
A. L. Davis	1	1	1		1	1	5	4	00	20		Salesman.

SET EIGHT.

80.—STEAMBOATING.

Books used are: Hand's Register, Cabin Passage Book, Freight Book, Cash Book, Fuel Book, Journal and Ledger.

REMARKS.

81. The books of Steamboats, like those of any other business, are kept in various forms, but the principles of accounts, when thoroughly mastered, can be readily adapted to any form that the peculiarities of the business may require.

We present here the form of books usually kept by the vessels which navigate the lakes and rivers of our country; and as a short treatise on this subject will be quite sufficient, we hope that all that is said will be carefully studied.

THE HANDS REGISTER,

Contains the name, occupation, etc., of each employé, and is similar in use to the Time Book in the Manufacturing Set. It is used to record the amount of labor performed and paid for.

THE CABIN PASSAGE BOOK.

Is intended to record the names and numbers of the passengers, the places of embarkation and destination, and the amount of fare paid.

THE FUEL BOOK,

As its name implies, contains a statement of the amount of fuel purchased, from whom, and when purchased, together with the price.

THE FREIGHT BOOK,

Contains a classified list of the goods received for transportation. Being plainly arranged, it exhibits its features and use without further explanation.

THE CASH BOOK,

Is made up from the items recorded in the above books, and from it and the Journal the entries are posted to the Ledger, which is the same form as in general use.

TRANSACTIONS.

1, JUNE, 1886.

A. B. Smith and J. Coon have jointly purchased the steamer "Gypsy" from the former owners, and will retain the present crew, the vessel to ply between Kingston and Toronto. Each invests $50,000 and give their joint note at six months for $65,000,

J. Coon advances for incidental expenses $2,000, to be returned to him from the receipts of the vessel.

Paid Breck & Booth, Kingston, Cash for 150 tons Coal at $4.25, $637.50; W. R. McRae & Co., for provisions and general supplies, $745.80.

Received from Chown & Cunningham, Kingston, to F. Philips & Co., Port Hope, marked F. P. & Co., 400 Parlor Stoves @ $1.50, $600.

From the same firm, to A. W. Dakin, Toronto, marked A. W. D., 350 Parlor Stoves at $3, $1,050.

From W. G. Campbell, Kingston, to A. J. Holmes, Cobourg, marked A. J. H., 500 bbs. XXX Flour at $1.25, $625.

Received the following passengers at the port of Kingston: Geo. Stuart, for Cobourg, $7.35; W. Hughes, Cobourg, $7.35; J. B. Reid, Port Hope, $7.55; A. R. Clark and wife, Toronto, $28.60; J. B. Hall, Toronto, $14.30.

2

Bought of R. E. Clark, Cobourg, for Cash, 75 Tons of Coal at $3.50, $262.50.

Received at port of Cobourg from J. E. Wilson to Field & Co., Toronto, marked F. & Co., 1900 bushels of Barley at 15cts., $285.

Received from A. J. Holmes $625 for freight on Flour shipped him by W. G. Campbell, Kingston.

Received at the port of Cobourg the following passengers: Guy Clinton, Toronto, $7.35; G. S. Akron and wife, Toronto, $14.70. Paid wharfage at Cobourg $7.50.

Delivered to the agent at Port Hope the goods consigned to F. Philp & Co., the freight being unpaid is charged to F. Philp & Co. Paid wharfage at Port Hope $5.40.

Received the following passengers at the port of Port Hope: A. W. Jarvis and wife, Toronto, $13,80; H. Jack, Toronto, $6.90; W. J. Craig, Toronto, $6.90.

Delivered to the agent at Toronto the goods consigned to that port. Received cash for freight on goods consigned to A. W. Dakin $1,050.

Paid wages for trip, per Hands Register, in Cash, $108.50.

82.—HANDS REGISTER—STEAMER "GYPSY."

Name.	*Occupation.*	*Employed*	*Time.*	*Wages per Mo.*	*Amt. Due.*	*Amt. Paid.*	*Remarks.*
J. Black.....	Captain	June 1	4 days	200	26 65		
A. L. Davis...	Purser	" "	" "	150	20	20	
A. Jack.....	Pilot	" "	" "	175	23 30		
H. Cormack...	Mate	" "	" "	100	13 30	13 30	
F. Bullis.....	Steward	" "	" "	75	10	10	
W. Gill.....	Carpenter	" "	" "	85	11 30	11 30	
L. A. Fell.....	Engineer	" "	" "	120	16	16	
Jas. Adams ...	Fireman	" "	" "	60	8	8	
P. Dooly.....	"	" "	" "	55	7 30	7 30	
S. Harris.....	Cook	" "	" "	65	8 65	8 65	Discharged
J. Purdy.....	Cabin Boy	" "	" "	40	5 30	5 30	
D. J. Lauder..	Deck Hand	" "	" "	30	4	4	
J. P. Byers....	" "	" "	" "	35	4 65	4 65	
							C. B. F.
				Wages paid this trip.....		108 50	

83.—CABIN PASSAGE BOOK.

Name.	*Embarkation.*	*Destination.*	*No.*	*Berth.*	*Fare.*
Geo. Stuart	Kingston	Cobourg	1	4	7 35
W. Hughes	"	"	1	7	7 35
J. B. Reid	"	Port Hope	1	9	7 55
A. R. Clark and wife	"	Toronto	2	16	28 60
J. B. Hall	"	"	1	12	14 30
Guy Clinton	Cobourg	"	1	23	7 35
G. S. Akron and wife	"	"	2	15	14 70
A. W. Jarvis and wife	Port Hope	"	2	19	13 80
H. Jack	" "	"	1	27	6 90
W. Craig	" "	"	1	20	6 90
	Cabin	Passengers	13		
	*D. P.	B.	15		14 20
	Total	Receipts			129 00

* D. P. B. stands for Deck Passage Book, a small memorandum book in which a record of the deck passengers is kept. The total receipts of this book are transferred to the Passage Book before posting.

NOTE.—Sometimes Through Tickets are issued by boats, and passengers re-shipped on other steamers or railways. In such case Passage Account may be credited with the whole fare and debited with the cost of re-shipping. The same rule is also followed in re-shipping freight.

The Manifest is a statement taken from the Freight Book showing a list of the goods on board. It is usually made out and placed near the clerk's office, for the inspection of shippers.

84.—MANIFEST OF STEAMER "GYPSY."

J. BLACK, *Master.*

FROM KINGSTON TO TORONTO, JUNE 1, 1886.

Consignee.	*Destination.*	*Marks.*	*Articles.*
F. Philp & Co	Port Hope	F. P. & Co.	400 Parlor Stoves
A. W. Dakin	Toronto	A. W. D.	350 Parlor Stoves
A. J. Holmes	Cobourg	A. J. H.	500 bbls. XX Flour
Field & Co	Toronto	F. & Co.	1,900 bus. Barley

85.—FUEL BOOK.

Date.	*Where Bought.*	*Tons Coal.*	*Cords Wood.*	*Price.*	*Amount.*	*Rec'd Payment.*
1886						
June 1	Kingston	150		4 25	637 50	Breck & Booth
" 2	Cobourg	75		3 50	262 50	R. E. Clark
					900	

86.—FREIGHT

Shipper.	*Embarkation.*	*Consignee.*	*Destination.*	*Marks.*
Chown & Cunningham	Kingston	F. Philp & Co.	Port Hope	F.P.&Co.
" " "	"	A. W. Dakin	Toronto	A. W. D.
W. G. Campbell.....	"	A. J. Holmes	Cobourg	A. J. H.
J. E. Wilson.....	Cobourg	Field & Co.	Toronto	F. & Co.

NOTE.—In case you pay another Steamer or Express Co. back charges on freight received from them, enter it in the column kept for that purpose and place a ticket for the amount in your Cash drawer, which you can count as Cash until you receive payment from the former company.

87.—CASH

DR.

Date.	*L F.*		*Passage.*	*Freight.*	*Sundries.*
1886					
June 1		A. B. Smith, Investment.....			50000
		J. Coon, "			50000
		J. Coon, advance made to ship.....			2000
" 2		Passage as per Passage Book.....	129		
		Freight " " Freight "		1675	
		Passage.....			129
		Freight.....			1675
					103804

BOOK.

Articles.	*Rate.*	*Items.*	*Amt.*	*Back Charges*	*Collected.*	*Remarks.*
400 Parlor Stoves	1.50	*To be used when more than one article is consigned to the same party.*	600			Chg'd Philp & Co.
350 " "	3.		1050		1050	
500 bbls. xx Flour	1.25		625		625	
1,900 bus. Barley	.15		285			To be collected by [agent
			2560		1675	C. B. F.
			Chg 'd Philp &co		600	Jour. F.
			" A Smith		285	" F.
					2560	

BOOK.

Cr.

Date.	*L.F.*		*Wages*	*Stores.*	*Fuel.*	*Sundries.*
1886						
June 1		Steamer Gypsy (part payment)...				100000
		Store Acct. Supplies at Kingston		745 80		
" 2		Expense, Wharfage at Cobourg..				7 50
		" " " Port Hope				5 40
		Wages as per Hands Register....	108 50			
		Fuel " " Fuel Book			900	
		Wages				108 50
		Stores				745 80
		Fuel.....				900
		Balance.....				2036 80
						103804

88.—JOURNAL.

	JUNE 1, 1886.	DR.		CR.	
	Steamer "Gypsy"	65000			
	To Bills Pay			65000	
	Gave our Note in part payment of the vessel.				
	2				
	F. Philp	600			
	To Freight			600	
	Freight unpaid per Freight Book				
	"				
	A. Smith	285			
	To Freight			285	
	Freight unpaid per Freight Book				
	4				
	Wages Account	49	95		
	To J. Black			26	65
	" A. Jack			23	30
	Salaries unpaid to date				
		65934	95	65934	95

NOTE.—Post from the Journal and Cash Book the same as in all former sets. Allow seven lines for each of the Ledger headings.

TRIAL BALANCE.

	DR.		CR.	
A. B. Smith			50000	
J. Coon			52000	
Steamer "Gypsy"	165000			
Cash	103804		101767	20
Bills Pay.			65000	
F. Philp	600			
A. Smith	285			
Passage			129	
Freight			2560	
Stores	745	80		
Fuel	900			
Expense	12	90		
Wages	158	45		
J. Black			26	65
A. Jack			23	30
	271506	15	271506	15

89.—JOURNAL ENTRIES.

In the usual course of business we often find transactions to journalize for which no general rule can be given. Below we give a number of transactions together with the journal entries for the same, illustrating the best form of making entry for, renewing and discounting notes, in case of protest, cross entries (when the wrong account has been debted,) writing off bad debts, compromising with insolvent debtors, return of goods, not being according to order, or a rebate in price, to correct errors in interest, etc.

1. Our note No. 7, due this day at Federal Bank has been renewed by giving a new note at 60 days discount 6%. Face of note No. 7, $250.

2. A. L. Davis' note, dated Jan. 8, 1886, at 90 days, for $650, endorsed by me and discounted at the Merchant's Bank, has been protested for non-payment, returned to me, and I have paid it by giving a new note at 30 days for such a sum as would cover the face of the old note, and $3 protest fees, after being discounted at 6%.

3. Had A. R. Haskins' note of $175.50 and interest at 6%, 90 days to run from 15 March, 1886, discounted at D. C. Bank, 10 April, 1886, at 6% and the net proceeds placed to our credit.

4. J. Coon, Trenton, has returned 4 bbls. Crackers at $3.50, not being the kind ordered. We pay $1.75 freight with cash.

5. Sold S. A. Carr, Mdse. invoiced at $75.40, I find afterward that the bookkeeper made a mistake in journalizing the account and debited S. A. George for the amount. What entry shall we now make to correct the error?

6. 7th April, 1886, we compromised with L. A. Fell, for his Note for $78, due 22 Feb., 1886, which we hold, he to pay us Cash in full, for the interest from 22 Feb. to date, at 6%, and 45% of the principal.

7. As an endorser on R. Gowdy's Note of $950, you pay the Note and $1.50 protest charges, with Cash.

8. W. Cannem & Co., Trenton, claims an allowance of 3c. per lb. on 720 lbs. Rio Coffee sold to them on the 29 ult., because not up to sample, which we have allowed.

9. We have on our Ledger the following accounts considered bad which we wish to be written off:—A. Clark, $240; R. Black, $75; E. Trusty, $90. Give Journal entry.

10. Jan. 15, 1886, received for J. Swift's Note of $500 and $6.40 Int., Cash. Bills Rec. was credited for the full amount and the error was not discovered until we tried to close our books; what entry can we make to correct the error?

11. Sent my agent (Geo. Brown) a check for $300, to be used in repairing buildings on my farm.

12. N. Harter buys out G. Martin's entire interest in the firm of Reid, Kennedy & Co., for $1,500. Harter gives his Note at 6 months. What entry will be made in the firm's books if the balance of Martin's stock account is $1,325.50?

13. L. Wilder presents to us for acceptance, A. V. Kane's draft at 30 days' sight for $1,200. But, being in need of funds, L. Wilder offered to accept Cash on a basis of present worth, interest 8%. We gave them our check for present worth.

14. Accepted H. Cormack's Draft at 10 days' sight in favor R. A. Bell, payable at the D. C. Bank, for $8,750.

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(1)	Bills Pay.	$250 00		
	Int. & Dis.	2 65		
	To Bills Pay.			$252 65
(2)	A. L. Davis.	$653 00		
	Int. & Dis.	3 61		
	To Bills Pay.			656 61
(3)	D. C. Bank.	$176 23		
	Int. & Dis.	1 99		
	To Bills Rec.			175 50
	" Int. & Dis.			2 72
Or	D. C. Bank.	$176 23		
	To Bills Rec.			175 50
	" Int. & Dis.			73
(4)	Mdse.	$15 75		
	To J. Coon.			14 00
	" Cash.			1 75
(5)	S. A. Carr.	$75 40		
	To S. A. George.			75 40

(6)	Cash	$35 69	
	Loss and Gain	42 90	
	To Bills Rec.		78 00
	" Int. & Dis.		59
(7)	R. Gowdy	$951 50	
	To Cash		951 50
(8)	Mdse.	$21 60	
	To W. Cannem & Co.		21 60
(9)	Bad debts account	$405 00	
	To A. Clark		240 00
	" R. Black		75 00
	" E. Trusty		90 00
(10)	Bills Rec.	$6 40	
	To Int. & Dis.		6 40
(11)	Geo. Brown	$300 00	
	To Bank		300 00
(12)	G. Martin	$1,325 50	
	To. N. Harter		1,325 50
(13)	A. V. Kane	$1,200 00	
	To Bank		1,191 27
	" Int. & Dis.		8 73
(14)	H. Cormack	$8,750 00	
	To Bills Pay		8,750 00

NOTE—For No. 9 above, open a bad debts account in the Ledger and under this post each name with the amount. This gives a chance to find what their account was if any of it should ever be received. At the end of a year if preferred the Bad Debts account may be closed into "Loss and Gain," or carried on as a "Resource."

BANKING.

Banking is so intimately connected with the business interests of our country, labor, capital and commerce are so fully represented as to make it indispensable that the business man should become acquainted with its general routine if not familiar with its details.

When it is desirable to open an account with a bank you should call upon the manager, who, if satisfied as to your integrity and solvency, will supply you with Pass Book and all necessary blanks, as Deposit Slips, Checks, etc.

When you wish to make a deposit, enter on a deposit slip your name and the date, the description of the deposit, whether Bank Notes, Checks, or Specie, according to the printed form of slip. Write also the amount of the deposit. Hand this slip, together with your deposit and Pass Book, to the Teller, who will count the deposit, and if it agrees with the slip, he will credit you in the Pass Book. When you leave a Note or Draft for collection, an entry will be made in the Pass Book, but the amount will not be entered into the money column until the collection is made.

If you have a note discounted and the proceeds placed to your credit, the entry will be made in your Pass Book to your credit for the face of the note less the discount.

The entries in the Pass Book are made by the Teller or Ledger-keeper, and are your receipts for the amounts you have deposited. At the end of each month you should send your Pass Book to the Ledger-keeper, who will enter the amounts withdrawn by you during the month, and balance the account. When the book is returned you should see that it agrees with the account you have kept.

Check Book.—In this book are printed blank checks, having a margin on which you write the number, amount, to whom given, for what, and the date, for each check you give out. On the Stub of the opposite page may be entered all deposits, in black ink, and the withdrawals in red ink. From this record we can easily ascertain the balance to your credit in the bank at any time. **See form page 153.**

Checks are payable on presentation and should be drawn only by persons having money to their credit in the bank.

If a Check be drawn payable to the "bearer," it may be transferred without indorsement, and is payable to the one who presents it. Where a Check is drawn payable to a person or "order," it must be indorsed by the person in whose favor it was drawn before being cashed by the bank.

It is always safer to draw your checks in this form, as the Bank will not pay them until indorsed by the proper person, and having been thus indorsed they serve as receipts.

If the Bank refuse payment on a check because the maker has not sufficient to his credit to meet it, the check may be returned and the maker held responsible.

The holder of a check may incur responsibility by neglecting to present it for payment within a reasonable time.

When sending papers to the Bank to be deposited, mark "For Deposit" on each above your name.

Checks, whether drawn payable to "order" or "bearer," must be indorsed by the depositor.

In filling out a check, place the amount in figures in the upper left hand corner, and also write it out in words in the face of the check. Rule up any unused space so that no addition can be made by insertion.

A ***Certified Check*** is one that has been "marked" good by the Cashier of a bank, thus making the bank responsible for it. When the bank certifies a check for you, you should credit the bank for the amount on the stub of your check book.

A ***Certificate of Deposit*** is a receipt given by a banker for money deposited, and is often used in making remittances. They may be made payable to the order of the depositor.

Remittances are usually made by Drafts or Bills of Exchange, which may be purchased at the bank.

DISCOUNTING NOTES.

All Notes for discount should be presented to the Manager, who will decide whether they are to be discounted or not.

Notes for discount should have at least one name besides the maker on them, either as drawer or indorser. They should not have more than three months to run before maturity.

Banks do not usually discount paper for persons who are not regular dealers in the bank.

Notes for Collection should be sent to the bank some days before maturity, that proper notice may be given to the makers or indorsers of the note, or in case the paper is payable at a distance, to send it to the place where it is payable.

If you are placing a paper in the bank for collection on which you do not wish to incur cost of protest in case of non-acceptance or non-payment, you can attach a slip of paper with the words, "Not to be Protested—take this off before presenting," and if the paper be not paid the bank will return it to you.

Transact all business with the bank as early in the day as possible.

THE BANK BOOK.

In this book the Receiving Teller enters the amount of your deposits upon the left-hand page. Once a month, or oftener if you desire, the checks you have drawn are written up on the right hand, and accounts balanced.

Dr. ***Dominion College Bank in account with H. Jack.*** ***Cr.***

1886							1882			
Jan.	2	To Cash, F,		200	00				75	
	2	" Note, F,		981	92			$40, $60, $28.96.	128	96
	6	" " F,		198	14			$300, $35.10.	335	10
	10	" Stewart,	$470,	Ret'd					60	
	13	" Note, H,		160	90				13	43
	13	" Cash, H,		100	00			$7.64, $673.08, $97,	777	72
	14	" " F,	27/25	26	75				286	20
	16	" " F,		460	84			By Balance *	452	14
				2128	55			Twelve Vouchers returned *	2128	55
	20	To Balance		452	14			Dakin, bookkeeper.		

* Red Ink.

THE CHECK BOOK.

In this book are printed blank checks. In the margin of the right-hand page you write the number, amount, to whom given, for what, and the date, The amounts deposited are entered on the stub of the opposite page. By subtracting the amount drawn out from the amount deposited, we can at any time ascertain the balance of cash to your credit in the Bank.

BANK ACCOUNT.

DOMINION COLLEGE BANK.

1882					
June	1	Cash, I. W.		200	
"	1	Note No. 2, $1000 Disc't, 18.08		981 92	
"	6	Cash, J. Smith,		198 14	
"	10	Stewart's Note, $470 (For Collection).			
"	13	Worth's Note, $165 Disc't, 4.10		160 90	
				1540 96	
		No. 1 $300; No. 2, $104.35		404 35	
		Balance		*1136 61	

* Red Ink.

MARGIN.

No. 1.	*A. V. HAIGHT,*	300 00	*For Store Expense.*
No. 2.	*W. E. PHELPS,*	104 35	*For Merchandise,*
			8th June, 1886.

CHECKS.

No. 1. *Kingston, June 1, 1886.*

DOMINION COLLEGE BANK,

Pay to A. V. HAIGHT, *or Order,*

Three Hundred ..... *Dollars*

$300 00 *A. McDONALD.*

No. 2. *Kingston, June 8, 1886.*

DOMINION COLLEGE BANK,

Pay to W. E. PHELPS, *or Order,*

One Hundred Four and $\frac{35}{100}$ *Dollars.*

$104 35 *A. McDONALD.*

CERTIFICATE OF DEPOSIT.

$2,000. *From*

MERCHANTS' BANK.

Kingston, Jan. 23d, 1886.

This is to Certify, that I. K. Wilson has deposited in this Bank Two Thousand Dollars, payable to the order of I. K. Wilson, on the return of this Certificate.

No. 40. J. B. McKAY, Cashier.

BANK DRAFT.

$175 $\frac{20}{100}$

FEDERAL BANK.

Kingston, Jan. 3d, 1886.

Pay to the order of JOHN ROWLANDS,

One Hundred Seventy-five and $\frac{20}{100}$ *Dollars.*

To MERCHANTS' BANK,
Ottawa, Ont.

No. 29. A. McDONALD, Cashier.

DEPOSIT TICKET.

Upon this you enter the amount of Deposit, the kind of Funds deposited, with the date. This must accompany each Deposit.

Deposited in

Dominion College Bank,

By Isaac Wood, 1st June, 1886.

Bills		200	
Checks.....	$30		
"	25.50	55	50
Specie		44	50
		300	

BUSINESS FORMS.

BILLS.

Kingston, Ont., July 3d, 1886.

Chas. Larose,

Bought of R. WALDRON.

TERMS 30 DAYS.

	5 pcs. Scotch Tweed (185 yds) - at $1	*185*			
	10 " Victoria Ginghams (143 yds) at 28c	*40*	*04*		
	3 " Red Cross Cambrics, 96½ yds, at 8c	*7*	*72*	*232*	*76*

Kingston, Ont., June 19, 1886.

A. B. Call,

Bought of JAMES REDDEN.

TERMS CASH.

	60 lbs. Granulated Sugar at 10½c	*6*	*30*		
	100 lbs. Crushed Sugar - at 12c	*12*			
	50 boxes A 1 Candles, 143 lbs., at 15c				
	5 bags Rio Coffee, 150 lbs., at 16½c	*21*	*45*		
		24	*75*		
	Received Payment,				
	James Redden.			*64*	*50*

ACCOUNTS CURRENT.

Accounts current are statements in detail of the business transactions between two houses showing the balance due at the date of settlement. They are a transcript of the Ledger accounts, with the addition of certain details taken from other books.

Accounts are sometimes averaged. See explanation under "Averaging of Accounts."

EXAMPLE.

Dr.						J. B. McKay.						Cr.		
1885						1885								
Oct.	1	To Balance.....		1800		Oct.	31	By Cash		1000	
	16	" Mdse. @ 30 days ...		360		Nov	16	" Note @ 30 days....		600	
Nov	27	" " @ 30 days ...		432		Dec	4	" Cash.....		240	
Dec	18	" " Net Cash....		420			26	" "		300	
1886						1886								
Jan.	1	" Balance, Interest...		18	71	Jan.	1	By Balance Account...		890	71
				3030	71					3030	71

MONTHLY STATEMENT.

Kingston, Ont., July 19, 1886.

Messrs. Bullis & Co.,

To McNEE & MINNES, Dr.

1886					
June	*1*	*To Mdse. as per Invoice @ 2 mos.,*	*260*		
	9	" " " " @ 4 "	*175*	*50*	
	24	" " " " @ 30 days	*140*		
					575 *50*
		Cr.			
	14	*By Goods returned*			*25*
					550 *50*

Gentlemen,—

If we do not hear from you before August 1st, we will take the liberty of drawing on you for the amount.

We are

Respectfully Yours,

McNEE & MINNES.

CREDIT NOTE.

In making up orders in wholesale houses errors are sometimes made in Invoices, and sometimes the wrong goods are shipped. In such case it is the duty of the receiver to notify the house immediately. They then send him a "Credit Note," which is similar to an Invoice, as will be seen in the form below.

Kingston, Ont., June 14, 1886.

Messrs. Bullis & Co.,
Trenton,

Credited by McNEE & MINNES.

	25 yds. Canadian Tweed @ $1		*25*
	Short in Invoice of June 9.		

NOTE.—These are usually printed in red ink to distinguish them from the Invoices.

PROMISSORY NOTES.

In drawing a Note or Bill it will be found convenient to name a place of payment in the body, so that there may be a place where the bill or note may be presented when due.

(NEGOTIABLE WITH INDORSEMENT.)

$100. WINNIPEG, 1 Aug., 1880

Four months after date I promise to pay James Graham or order One Hundred Dollars, value received, at the Bank of in Winnipeg.

GEORGE DREW.

(NEGOTIABLE WITHOUT INDORSEMENT.)

$100. PRESCOTT, 1 Sept., 1882.

Four months after date I promise to pay J. Deane or bearer One Hundred Dollars, value received, at my office in Prescott.

WM. STRONG.

(NON-NEGOTIABLE.)

$100. OTTAWA, 1 Oct., 1883.

Four months after date I promise to pay R. Long One Hundred Dollars, value received, at the Banking House of..... in Ottawa.

B. SWIFT.

JOINT AND SEVERAL NOTE.

$100. BELLEVILLE, 1 Nov., 1884.

Four months after date we jointly and severally promise to pay L. Black, or order, One Hundred Dollars, value received, at the Federal Bank in Kingston.

P. GREEN.
T. WHITE.

(PRINCIPAL AND SURETY NOTE.)

$100. TORONTO, 1 Dec., 1880.

Four months after date I promise to pay Wm. Roberts, or order, One Hundred Dollars, value received.

A. W. THOMAS.

I guarantee the payment of the above note.

R. M. JOHNS, Surety.

(DEMAND NOTE.)

$100 MONTREAL, 1 Jan., 1881.

On demand I promise to pay P. L. Sharp, or order, One Hundred Dollars, value received, at (place of payment.)

R. P. FLAT.

PAYABLE AT BANK WITH INTEREST.

$100 BROCKVILLE, 1 Feb., 1882.

Four months after date I promise to pay E. F. Bond, or order, One Hundred Dollars at the City Bank, with interest, value received.

J. B. FREE.

(CHATTEL NOTE.)

$100. PERTH, 1 March, 1883.

Four months after date I promise to pay S. B. Foot, or order, One Hundred Dollars in "Marketable Wheat" at the then market rate, the same to be delivered at the option of the payee within the limits of the town of Perth.

R. A. HAND.

DRAFTS.

1. SIGHT DRAFT.

56\frac{40}{100}$ TORONTO, Ont., 9 July, 1886.

At sight pay to J. G. Frost or order Fifty-six and $\frac{40}{100}$ Dollars, value received, and charge the same to account of

To A. M. Mills,
Kingston, Ont.

J. D. KING & Co.

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2. DEMAND DRAFT.

$120. TRENTON, Ont., 14 March, 1886

On demand pay to the order of A. Carter One Hundred and Twenty Dollars, value received, and charge the same to account of

To H. A. WILSON,
Oshawa, Ont.

J. S. MILLER.

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3. TIME DRAFT.

$245. KINGSTON, Ont., 14 May, 1886.

Thirty days after sight pay to the order of F. Lake Two Hundred and Forty-five Dollars, value received, and charge the same to account of

To A. L. HOWARD,
Ottawa, Ont.

FRED SCOBELL,

NOTE.—In the above the time does not count until the date of acceptance. The draft might read, "Thirty days after date," then the time would count from the date of the paper.

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4. TIME DRAFT ACCEPTED.

140\frac{50}{100}$ KINGSTON, Ont., 27 May, 1886.

Ten days after sight pay to A. E. Kennedy or order One Hundred Forty and $\frac{50}{100}$ Dollars, value received, and charge the same to account of

To D. J. LAUDER,
Montreal, Que.

J. B. REID.

NOTE.—In accepting the above draft it is necessary to give the date of acceptance. If the draft should read "after date" instead of "after sight" then the date of acceptance is unnecessary.

SET OF FOREIGN EXCHANGE.

Exchange for £75. KINGSTON, Ont., 17 Aug., 1885.

Thirty days after sight of this our first of Exchange (second and third of same date and tenor unpaid,) pay to I. Wood, or order, Seventy-five Pounds Sterling, value received, and charge the same to account of

To J. CLARKE & Co,
Bankers, London.

J. B. McKAY & Co.

Exchange for £75. KINGSTON, Ont., 17 Aug., 1886.

Thirty days after sight of this our second of exchange (first and third of same date and tenor unpaid,) pay to I. Wood, or order, Seventy-five Pounds Sterling, value received, and charge the same to account of

To J. CLARKE & Co, J. B. McKay & Co.
Bankers, London.

Exchange for £75. KINGSTON, Ont., 17 Aug., 1886.

Thirty days after sight of this our third of exchange (first and second of same date and tenor unpaid,) pay to I Wood, or order, Seventy-five Pounds Sterling, value received, and charge the same to account of

To J. CLARKE & Co., J. B. McKAY & Co.
Bankers, London.

ORDERS.

An order is a written request to deliver or pay goods or money on account of the person who signs the request.

ORDER FOR GOODS.

$100. PICTON, 1 Jan., 1880.

Messrs. Brown Bros , please pay R. Easton, or order, One Hundred Dollars in goods from your store and charge to the account of

WM. DOWNS.

(ORDER FOR MONEY.)

$100. NAPANEE, 1 Feb., 1880.

Messrs. Wilson Bros., please pay to D. Lewin, or order, One Hundred Dollars and charge the same to my account.

N. SMALL.

DUE BILLS.

A Due Bill is a written acknowledgement of a debt.

(DUE BILL FOR MONEY.)

$100. TRENTON, 1 March, 1884.

Due S. Ball for value received One Hundred Dollars.

P. RAND.

(DUE BILL FOR GOODS.)

$100. PORT HOPE.

Due L. Peters for value received One Hundred Dollars, in goods from our store. T. JOHNS.

RECEIPTS.

A receipt is a written acknowledgement of having received a certain sum of money, or other valuable consideration.

(RECEIPT ON ACCOUNT.)

$100. KINGSTON, 20 Jan., 1882.

Received from E. Jones One Hundred Dollars on account. F. PLATT.

(RECEIPT IN FULL OF ACCOUNT.)

$100. PRESCOTT, 2 FEB., 1884.

Received from D. Hodge One Hundred Dollars in full of account to date.

S. KING.

(RECEIPT IN FULL OF ALL DEMANDS.)

$100. OTTAWA, 1 March, 1883.

Received of R. Small One Hundred Dollars in full of all demands to date. D. M. BALL.

(RECEIPT FOR RENT.)

$100. COBOURG, 3 April, 1884.

Received from L. M. Fell One Hundred Dollars for one month's rent of store No. 142 King Street, ending 31 March last.

F. R. HALL.

(RECEIPT FOR A NOTE.)

$100. BROCKVILLE, 10 Jan., 1885.

Received from A. L. Flynn his note of this date at Three months, for One Hundred Dollars, in settlement of bill rendered 12 May last.

(AGENT'S RECEIPT.)

$100. GANANOQUE, 1 July, 1886.

Received of T Doran, One Hundred Dollars in full of his account with R. West. M. A. KENT,

Agent.

FILING BUSINESS PAPER.

The forms below represent Business Paper, properly folded and filed. As the folding and filing of other papers (not represented) should be the same general form, we deem it unnecessary to give them.

Geo. Smith, Toronto. Bill of Mdse. 20th April, 1882. $150.	A. C. Grant, Belleville. Acct. of Sales, 20th July, 1882. $347.50.	T. L. Savage, Trenton. Invoice, 20th April, 1882. $450.25.	Trial Bal., D. Harmer, Taken, Kingston, 26th Dec., 1882. H. H. Douglass, Acct'nt.
*Bills for April, 1882.	*Acct. Sales for July, 1882.	*Invoice Letters for April, 1882.	*Trial Balances. 1882.

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FORM OF BILL OF LADING.

WILLIAM B. HAZLETINE,

DEALER IN HIDES AND LEATHER,

717 Main Street, St. John, N. B.

Shipped, *in good order and condition, by* **William B. Hazletine,** *on account and risk of whom it may concern, on board the good Steamboat called "Lawrence," whereof William Wilkinson is Master for the present voyage, now lying at* **ST. JOHN, N. B.,** *and bound for* **MONTREAL, Que.,** *the following articles, marked and numbered as below, which are to be delivered without delay in like good order at the said Port (unavoidable dangers of the river, and fire, and explosion, only excepted), unto* **J. S. CUNNINGHAM** *or assigns, he or they paying freight for said goods at the current rates.*

IN WITNESS WHEREOF, *the Owner, Master or Clerk of said Steamboat hath affirmed to three Bills of Lading, all of this tenor and date, one of which being accomplished, the others to stand void.*

Dated at St. John, N.B., this 30th day of May, 1886.

MARKS.	ARTICLES.	WEIGHT.
Sam Steel, Brownsville, Pa.	8 Bales Compressed Dry Hides.	6420 lbs.

BUSINESS CORRESPONDENCE.

The ability to write a good letter is a desirable accomplishment and is of constant utility in every department of business life.

Business correspondence is a subject of so varied and extensive a nature that it can hardly be deducted to rule or taught by precept. The following suggestions may, however, afford some assistance:

1. Use as few words as possible in a business letter.
2. Answer every business letter promptly.
3. Copy all business letters you send out.
4. State each proposition so clearly that there can be no mistake as to your meaning.
5. Your writing should be plain and legible, no flourishing in the use of the pen or of words.
6. Read your letter carefully, punctuate and make all necessary corrections before enclosing it.
7. Examine your envelope to see it is properly directed and has on the necessary postage stamps.

In the following forms of business letters we have endeavored to introduce as great a variety as is possible in the limited space we have for the subject.

FORM OF ENVELOPE SHOWING ADDRESS AND STAMP IN PROPER POSITION.

STAMP.

W. N. Brown, Esq,
Maitland,
Ont.

LETTER INTRODUCING A MERCHANT.

PERTH, 1 March, 1886.

MESSRS. JONES BROS.,
Montreal.

GENTLEMAN,—This letter will introduce to you Mr. McKay, a merchant of our town, who visits your city to purchase his spring stock. Mr. McKay is a careful business man and punctual in meeting his engagements. Any assistance you may be able to render him will be considered as a personal favor and acknowledged by

Your friend,
ISAAC WOOD.

LETTER OF CREDIT FOR PURCHASING GOODS.

OTTAWA, June 10, 1886.

F. X. COUSINEAU & Co,,
Toronto.

GENTLEMEN,—This will introduce to you, the bearer, Mr. A. Snyder, of this city. Should he desire to purchase goods at your establishment you may consider us responsible for any amount not exceeding one thousand dollars.

Your obedient servants,
ROW & LOW.

LETTER INTRODUCING A STUDENT.

BATH, 27 May, 1886.

MESSRS. MCKAY & WOOD,
Kingston, Ont.

DEAR SIRS,—Permit us to introduce to you our friend, Frank Philp, who is desirous of entering some good Institution. We are satisfied that we cannot more effectually serve him than by recommending yours, and soliciting your influence in his behalf.

Very truly yours,
T. NAYLOR & Co.

ORDER FOR GOODS.

KINGSTON, Ont., 2 May, 1886.

MESSRS. WHITE, DAVIS & Co.,
Montreal, Que.

GENTLEMEN,—Please forward us per G. T. RR. the following goods :

3 Pcs. English Tweed.
2 " Black Broadcloth.
1 " Fur Beaver.

On receipt of goods we will remit check for the amount.

Respectfully yours,
T. MOORE & Co.

REPLY TO ABOVE.

MONTREAL, QUE., 4 May, 1886.

T. MOORE & Co.,
KINGSTON, Ont.

GENTLEMEN,—Inclosed please find Invoice and Bill of Lading of goods shipped you this day as per your order of the 2nd.

We invoice the goods at our lowest cash prices. Hoping that all will be satisfactory, and soliciting your further orders, we remain

Truly yours,
WHITE, DAVIS & Co.

ENCLOSING STATEMENT.

KINGSTON, Ont., 3 March, 1886.

A. E. HOLDER, Esq.,
NAPANEE, Ont.

DEAR SIR,—Your attention is called to the enclosed Statement of Account, showing balance in my favor of $175.50. As this account is long past due, an early remittance will greatly oblige,

Your obedient servant,
R. WALDRON.

REPLY.

NAPANEE, Ont., 5 March, 1886.

R. WALDRON,
KINGSTON, Ont.

DEAR SIR,—Yours of the 3d inst. is at hand. Enclosed please find check for balance of account to date. Please acknowledge receipt, and oblige,

Respectfully yours,
A. E. HOLDER.

COMPLAINING OF AN ERROR IN A BILL.

BROCKVILLE, Ont., 3 Dec., 1886.

MESSRS. J. D. KING & Co.,
Toronto.

DEAR SIRS,—Upon examining bill accompanying your last lot of goods we find that we have been charged with 4 doz. pairs of boys' boots which we did not order or receive. We enclose bill and copy of the invoice of goods that the error may be corrected. We are, gentlemen, Yours very truly,

H. MOORE & SON.

REPLY.

TORONTO, Ont., 4 Dec., 1886.

MESSRS. H. MOORE & SON,
BROCKVILLE, Ont.

GENTLEMEN,—We regret that you were put to any trouble by the carelessness of a clerk, who having proved himself incompetent has left our service. We enclose the correct bill to you and offer apologies for the error. Respectfully,

J. D. King & CO.

NOTICE OF DRAFT.

KINGSTON, 10 Aug., 1886.

MR. WM. STITT,
PRESCOTT, Ont.

DEAR SIR,—We have this day drawn on you through the Merchants Bank at three days sight for the amount of your account as per statement enclosed. Please honor and oblige,

Yours truly,
JOHN A. FELL.

URGENT REQUEST FOR PAYMENT.

KINGSTON, Sept. 12, 1886.

W. C. CROFTON,
BROCKVILLE, Ont.

DEAR SIR,—We beg to call your attention to our letter of the 18th ult., inclosing statement of your account to May 1st, showing balance of $850 due at that date.

Your early attention to this matter will oblige.

Yours truly,
GEO. MYRTLE.

POSITION VACANT.

WANTED—An Assistant Book-keeper, one who writes neatly and rapidly, and who can bring good recommendations. Address stating experience and particulars, "A. B. C.," *Globe* Office.

WANTED—A position as Book-keeper by a young man who has had three years experience in the office of a wholesale house. Willing to work for a moderate salary; best of references. Address, "E. F.," *Mail* Office.

ANSWER TO AN ADVERTISEMENT FOR AN ASSISTANT BOOK-KEEPER.

KINGSTON, Dec. 10, 1886.

MESSRS. WILSON BROS.,
TORONTO.

GENTLEMEN:—Having seen the enclosed advertisement in this morning's "*Star*" I beg to offer my services. I am a graduate of the Dominion Business College, and have one year's experience in the office of A. Gunn & Co., Wholesale Grocers of this city.

I am permitted to offer for reference the names of Mr. J. H. Metcalf, M.P., Kingston; John McDonald, Esq., of your city.

Should you desire a personal interview, please address

ANDREW MILLER.

ASKING INFORMATION OF REFERENCES.

TORONTO, Dec. 15, 1886.

MESSRS. A. GUNN & Co.,
Kingston.

GENTLEMEN,—Mr. Andrew Miller, who represent himself as having been in your employ for a year, has referred me to you for testimonials as to his character and ability.

He is offering his service as a book-keeper. I will thank you for any information as to his honesty and fitness for the post he seeks to fill. Yours truly,

WILSON BROS.

REPLY TO ABOVE.

KINGSTON, Dec. 20, 1886.

MESSRS. WILSON BROS.,
Toronto, Ont.

GENTLEMEN,—In reply to your favor of the 15th inst, we may say that Mr. Miller was in our employ for one year as book-keeper.

During that time he served us faithfully, and conducted himself in all respects to our satisfaction. We would have retained him in our service, but he seeks a broader field of labor. Yours truly,

A. GUNN & CO.

SHORT FORM OF RESIGNATION.

KINGSTON, Oct. 1, 1886.

MESSRS. A. GUNN & Co.

GENTLEMEN,—I herewith tender my resignation as Assistant Book-keeper in your office. My labor in that capacity to cease Dec. 1st, 1886. Yours truly,

ANDREW MILLER.

RECOMMENDING A BOOKKEEPER.

BROCKVILLE, Aug. 1, 1886.

Mr. D. H. Ellis having been in my employ for the past three years, it gives me great pleasure to testify of his ability. He is a young man possessed of great energy, capable and reliable.

Accurate in accounts, ready and graceful as a penman, he is a most useful man in the counting room.

He leaves my employ voluntarily and with my best wishes.

JOHN DEVANA.

RECOMMENDING A SALESMAN.

KINGSTON, Jan. 1, 1886.

D. H. Walker, who has been in my employ for two years as Salesman, has given entire satistaction. He is strictly honest and reliable, attentive to customers, careful and obliging. It affords me pleasure to commend him as a first-class Salesman.

D. HARDY.

ANSWERING AN ADVERTIS' 'ENT FOR A TEACHER.

NAPANEE, Aug. 6, 1886.

MR. J. S. MILLER,
Secretary of School Board.
Centreville, Ont.

DEAR SIR:

In reply to your advertisement in to-day's "*Globe*" for a Teacher I respectfully offer my services for the position vacant in your school.

I hold a Second Class Certificate Grade 'A,' and have had four years experience as teacher in the Model School of this town.

I enclose testimonials from the Chairman of the School Board here, and from our Inspector, Mr. Burrows, which I trust may be satisfactory to you.

Should a personal interview be desired, please address as above.

Respectfully yours,
DANIEL HANNAH.

RECOMMENDING A TEACHER.

KINGSTON, Aug. 1, 1886.

JOSEPH BROWN, ESQ.,
MURVALE, Ont.

DEAR SIR:—In reply to yours of the 15th ult., I most cheerfully recommend Miss Annie Johnson to the position of Teacher in your school.

Her professional training together with her high literary attainment fit her to do successful work in any school in which she may be engaged.

Yours respectfully,
JOHN D. LEISH,
Prin. Model School.

BUSINESS MEETING.

PRESCOTT, April 10, 1886.

E. S. WILSON, Esq.,
JOHNSTON STREET.

DEAR SIR:—A special meeting of the Public School Board is called for to-night at 8 o'clock. Business very important. Your are requested to be present.

Yours truly,
JOHN. L. BASS, Sec.

ANSWERING AN ADVERTISEMENT FOR A BOOK-KEEPER.

KINGSTON, Ont., 19 Feb., 1886.

DEAR SIR,—

In reply to your advertisement in to-day's *Mail* for an assistant book-keeper, I beg to offer my service to your firm.

I have been in the employ of Mr. W. J. Byrnes, of this city for the past two years, until he sold out his business a few days since, having kept the books of his house during the time.

He kindly permitted me to refer to him for any testimonial of character or ability you may require. Should my services be accepted, it will be my earnest endeavor to faithfully and punctually fulfill the duties required. I have the honor to remain,

Yours very respectfully,
R. S. WRIGHT.

NOTICE OF DISHONORED NOTE.

KINGSTON, Ont., 9 Aug., 1886.

A. A. HOLDER,
NAPANEE, Ont.

DEAR SIR,—I regret to be obliged to notify you that M. Baxter's note for $150, indorsed by you, became due yesterday, and on presentment to him he stated that he was unable to pay it. I therefore am obliged to look to you for payment, and trust you will give the matter your immediate attention.

Truly yours,
A. M. MILLS.

INVOICE LETTER OF ADVENTURE.

Toronto, Ont., 21st Jan., 1885.

R. S. Day, Esq.,

Montreal, Que.,

Dear Sirs,—Herewith please find Invoice of Flour and Salt, shipped you this day per G. T. R R., to be sold on my account. Please effect sales as soon as possible and remit proceeds by Draft on New York.

Respectfully yours,

W. J. OVENS.

Invoice of { 30 bbls. Flour / 30 " Salt } shipped per G. T. R R., 21st Jan., 1885, and consigned to R. S. Day, Montreal, Que., to be sold on commission.

	30 bbls. Medium Flour @ $10	300			
	30 " Salt @ 4	120			
	Paid Insurance and Cartage	6	75	426	75
	E. & O. E.				
	Toronto, 21st Jan., 1885.				
	W. J. OVENS.				

ACCOUNT SALES LETTER OF A CONSIGNMENT.

W. J. Ovens,

Toronto, Ont.

Dear Sir,—Herewith please find account of sales of Flour and Salt received by me 22d inst., to be sold on your account and risk. The goods arrived in good order, and met with ready sales at advanced prices. I have credited your account with net proceeds.

If the result is satisfactory, I should be pleased to receive further shipments.

Truly yours,

R. S. DAY.

Account Sales of { 80 bbls. Flour / 80 " Salt } received per G. T. R R. 22d Jan., 1885, from W. J. Ovens, Toronto, Ont., to be sold on commission.

		SALES.			
Jan	24	Sold on 3 month[illegible] 'it, 30 bbls. Flour, [illegible] $14,	420		
	26	Sold for note at ten days, 30 bbls. Salt, at $6.	180		600
		CHARGES.			
Jan	22	Cartage and freight,	10		
		My Commission, @ 2½%	15		25
		Your net proceeds, due by average, 2 April,			575
		E. & O. E.			
		Montreal, 28 Jan., 1881.			
		R. S. DAY, Per E. WHITE.			

INVOICE LETTER OF ADVENTURE CO.

PAINESVILLE, Ohio, 24th Jan., 1881.

H. G. EASTMAN, Esq.,

POUGHKEEPSIE, N. Y.

DEAR SIR,—Enclosed please find Invoice and Bill of Lading for Wheat and Oats, shipped you on this date to be sold on joint account and risk, as pr. Invoice below :

400 bush. Spring Wheat, at $1.00		$400	
400 " Western Oats, "	50c	200	$600

Should the shipment meet with ready sales at advanced rates, please advise me at once, that I may anticipate the market and secure further shipments.

Truly yours,

M. E. LUCE.

ACCOUNT SALES LETTER OF MDSE. CO.

POUGHKEEPSIE, N. Y., 15th Feb., 1881.

M. E. LUCE, Esq.,
PAINESVILLE, O.

DEAR SIR,—Enclosed I send Exchange on your city for Three Hundred Ninety-four and $\frac{37}{100}$ (394.37) Dollars, the net proceeds of your shipment of the 26th ult., as shown per statement below.

SALES.

Feb. 2,	Sold on acct. 60 days,		
	400 bush. Wheat, at $1,25,	500	
4,	Took to my acct.,		
	200 bush. Oats, 75c.	150	
6,	Sold for cash 200 bush. Oats, at $1,		
		200	850

CHARGES.

Jan. 31,	Freight,	40	
	My Commission, @ 2½%	21 25	61 25
	Total net proceeds,		788 75
	Your net proceeds,	394 37	
	My one-half Invoice,	300	
	My gain,		94 38
	Proof,	$694 37	$694 37

Proceeds due by average, 31 Mar. 1881.

Hoping the above statement will prove satisfactory, and believing you safe in making heavy shipments of all kinds of produce,

I remain, truly yours,

E. & O. E. H. G. EASTMAN, 721 Main St.

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1. M. L. Ball's account is several months over due. Write him a letter requesting an immediate settlement.

2. You have received a letter from A. R. Fell, enclosing £25 to apply on his account. Write him a letter thanking him for the remittance and enclose a receipt.

3. Write an application for a position as Teacher in a Public School, stating your qualifications and the salary you expect.

4. Prepare a telegraphic message of not more than ten words, ordering 20 chests of tea and 5 bbls. sugar, to be shipped by boat.

5. You are Secretary of the Board of Trade; prepare a notice to be printed in your daily paper announcing a special meeting.

6. You have purchased a bankrupt stock, which you can sell at reduced rates. Write a circular letter to be sent to your customers announcing this fact.

7. Write an advertisement asking for a salesman who has had experience in the retail Dry Goods business.

8. Answer the following advertisements which appeared in the *Free Press:*

WANTED,—Head master for Fenelon Falls Public School. Applications stating salary, experience and qualifications, received until 10th inst. JOHN JORDON, Sec.

WANTED—A Canvasser to sell the Williams Steam Washer. A young man preferred. Testimonials required. Address J. G. W., Perth.

WANTED—Salesman, Junior Department, Dry Goods. Apply stating salary and references. Box 204, *Mail* Office.

9. Write a letter to Prof. C. C. Gaines, Eastman College, Poughkeepsie, N. Y., asking for his College calendar.

10. Order by letter from E. & A. Eaves, Montreal, one dozen O.G. clocks, and state that you will remit cash on receipt of goods.

11. You have received the clocks ordered from E. & A. Eaves, but through carelessness in packing three of the clocks are badly damaged. Write a letter asking a reduction of 20% on invoice price.

12. A young man, who was formerly your fellow student, is now in New York. Write him asking if he thinks you could secure a position in that city.

13. You have left home to attend school. Write a letter to your brother describing the school and the city.

14. School term will close to-morrow. Write a telegraph message of ten words or less, telling your parents that you are coming home; by what train, to what station, and ask them to meet you.

15. Write H. D. Whitney, Toronto, stating that you will draw on him at 10 days sight for $75, amount of account due you to date.

16. You are principal of the West Ward School. Write a letter of recommendation for a boy who is leaving school to seek for employment in an office.

17. You are not able to attend School through illness. Write a note of explanation to your teacher.

18. You are unable to settle your account with Jones Bros., Montreal. Write a letter explaining the cause of delay and requesting an extension of time.

COMMERCIAL LAW.

PREPARED BY RICHARD T. WALKEM, Q.C., PROFESSOR OF EQUITY, QUEEN'S UNIVERSITY.

There is an old adage which speaks somewhat disrespectfully of the intelligence of the man who is his own lawyer; but, though it is not usually prudent to enter into important contracts or to place a construction upon doubtful agreements without having legal advice, a knowledge of the elementary principles of law is necessary to a business man in the transaction of his every day affairs.

Law, in either a simple or complex form, enters into every commercial transaction. We purpose, therefore, in this part of our work to state for the guidance and instruction of the student some of those principles of commercial law which enter most frequently into business transactions, a knowledge of which may be regarded as essential to a fair commercial education.

THE LAW OF CONTRACTS.

As all business transactions assume the form of contracts, we will first treat of contracts, their nature and incidents. A contract may be defined to be an agreement between two or more parties for the doing or not doing of some particular thing.

PARTIES CAPABLE OF CONTRACTING.

The parties to a contract must be such persons as the law regards as capable of entering into an agreement. In general the law regards all persons as capable of contracting except

1. Persons of unsound mind, who, wanting the power of judgment, are disabled from entering into agreements.

2. Persons so intoxicated as to be unable to understand and appreciate what they are doing.

3. Infants, that is, persons under the age of twenty-one years, respecting whom the rule may be stated as follows:—Their contracts will bind them, provided they are necessary and for their benefit and advantage, but if they are unnecessary and unfit and improper contracts for them to have entered into, they will be entitled to recede from them and vacate them.

4. Married women, who are not personally liable, but who by Statute of Ontario 47 V.,c. 19, s. 2, s.s. 2., are made capable of entering into and rendering themselves liable in respect of and to the extent of their separate property on any contract, as though they were unmarried.

Corporations can enter into such contracts as are authorized by their acts or charters of incorporation, or such as are necessary for or incidental to the carrying on of the objects for which they were created.

EFFECT OF DURESS OR FRAUD.

A contract made under compulsion is voidable by the persons wronged, provided the compulsion amounts to what the law calls duress. Duress may consist in illegal imprisonment, actual violence, or threatenings causing fear of some grievous wrong.

A contract procured by fraud may be avoided by the party on whom the fraud has been committed, provided that, on the discovery of the fraud, he at once disaffirm the contract, and, as far as he can, restore the consideration received by him.

CONSIDERATION.

In order that a contract or agreement may be enforceable it must be based on what the law calls a valuable consideration. Such a consideration may be defined to be some benefit or advantage accruing to the person who makes the promise, or some loss or disadvantage accruing to him to whom it is made at the request or on the motion of the person who makes the promise, even though that person may not be benefited by the transaction.

A contract or agreement not founded on a valuable consideration is called a voluntary contract or agreement, on which, usually, no action can be founded.

A moral obligation may be a sufficient consideration. Thus, an express promise to pay a debt, the remedy on which has been barred by the statute of limitations, may be enforced.

A contract founded on a consideration which is immoral, or contravenes public policy, or which is illegal or impossible to be performed is void and cannot be enforced.

ASSENT OF PARTIES.

The assent of the parties to a contract is necessary before the contract can be said to be complete. If the terms of a contract founded upon mutual promises have not been finally agreed upon ; if either party withholds or has not given his full assent to them, the contract is incomplete. It binds neither of the parties, and can give rise to no cause of action.

TIME OF PERFORMANCE.

The time for the performance of a contract is usually settled by the parties. Where no time is fixed, the law implies an agreement to perform it within a reasonable time according to the circumstances.

WRITTEN AND VERBAL AGREEMENTS.

A contract or agreement may be either written or verbal. A verbal contract is one which is made by words without writing. A written contract may be either a deed, that is, an instrument under seal, or a simple contract, that is, not under seal.

There is little advantage in the present day in a sealed over an unsealed instrument. Probably the only substantial advantage is in the longer period of limitation allowed by law for bringing an action on a sealed instrument. There are, however, cases in which a contract is required by statute to be under seal. In such cases, of course, the requirement of the statute must be followed.

Certain classes of contracts are required by the Statute of Frauds to be in writing. The 4th section of that celebrated Act provides that no action shall be brought on any of the following classes of contracts unless the agreement, or some note or memorandum of it shall be in writing, signed by the party to be charged, or some person thereunto by him lawfully authorized:

1. Promises by an executor or administrator to answer damages out of his own estate.

2. Promises to answer for the debt, default, or miscarriage of another person.

3. Agreements made in consideration of marriage.

4. Contracts or sales of lands, tenements. or hereditaments or any interest in or concerning them.

5. Agreements not to be performed within the space of a year after the making thereof.

Again, the 17th section of the same statute provides that no contract for the sale of any goods, wares, or merchandise for the price of £10 or upwards shall be good except the buyer shall accept part of the goods so sold and actually receive the same, or give something in earnest to bind the bargain or in part payment, or that some note or memorandum in writing of the said bargain be made and signed by the parties to be charged by such contract, or their agents thereunto lawfully authorized.

The cases in which writing is made necessary to the validity of a contract are extended by certain acts now brought together in Rev. Stat. of Ont., c. 117.

S. 8 provides that "No action shall be maintained whereby to charge any person upon any promise made after full age to pay a debt contracted during infancy or upon any ratification after full age of any promise or simple contract made during infancy, unless such promise or ratification is made by some writing, signed by the party to be charged therewith, or by his agent duly authorized to make such promise or ratification."

S. 9 provides that "No action shall be brought whereby to charge any person upon or by reason of any representation or assurance made or given concerning or relating to the character, conduct, credit, ability, trade or dealings of any other person, to the intent or purpose that such other person may obtain money, goods or credit thereupon, unless such representation or assurance is made in writing signed by the party to be charged therewith."

S. 10 provides that "No special promise made by any person to answer for the debt, default or miscarriage of another person, being in writing and signed by the

party to be charged therewith, or by some other person by him thereunto lawfully authorized, shall be deemed invalid to support an action, suit or other proceeding to charge the person by whom such promise has been made, by reason only that the consideration for such promise does not appear in writing, or by necessary inference from a written document."

S. 11 provides that "The seventeenth section of the Act passed in England in the twenty-ninth year of the Reign of King Charles the Second, entitled, "An Act for the prevention of Frauds and Perjuries," shall extend to all contracts for the sale of goods of the value of forty dollars and upwards, notwithstanding that the goods may be intended to be delivered at some future time, or may not at the time of such contract be actually made, procured or provided, or fit or ready for delivery, or although some act may be requisite for the making or completing thereof, or rendering the same fit for delivery."

These statutory provisions are very important to be borne in mind in mercantile transactions. Every line of the Statute of Frauds has been the subject of judicial decision.

Apart from the requirements of the law, it is always expedient to reduce a contract to writing. This simple precaution prevents misunderstandings in the framing of the contract and uncertainty as to its terms.

When a contract has once been reduced to writing by the parties, the law will not allow it to be altered or contradicted by evidence of a contemporaneous verbal agreement inconsistent with it, relating to the same subject matter. The writing is the only receivable evidence of the contract.

When the contract is required by law to be in writing, it may be gathered from a number of letters or other papers which refer to each other and can be connected together.

When the terms of a written instrument do not correctly represent the mind of the parties, the court will rectify it, provided the mistake is one of fact, and common to both parties ; and in certain other cases of mistake also the court will grant relief.

DAMAGES FOR NON-PERFORMANCE.

When a party fails to perform his agreement or contract without lawful excuse for his failure, he becomes liable to an action for damages, at the suit of the person entitled to the benefit of the performance. The law does not compel the performance of the contract in specie except in some case where damages could not be regarded as an adequate compensation, as in the case of a contract for the purchase of land, or a chattel not purchasable in the market.

The damages which may be recovered for a breach of contract, generally speaking, are such as will place the party injured as nearly as possible in the same position pecuniarily as if the contract had been performed.

LIMITATION OF ACTIONS.

The law limits the time within which actions may be brought.

Actions of covenant or debt on a bond or other specialty e. g. a sealed instrument must be brought within 20 years after the cause of action arose.

Actions on account or on simple contracts, such as notes, bills of exchange, ordinary loans not secured by deed, within six years.

Infants, or persons of unsound mind, are entitled to the benefit of the full period of limitation after the infancy or unsoundness of mind shall have ceased.

The period of limitation is extended by part payment or acknowledgment in writing signed by the party chargeable or his agent, and begins to run again from the time of such payment or acknowledgement. S. 6, Rev. Stat. Ont. c. 117, provides that no endorsement or memorandum of any payment, written or made upon any promissory note, bill of exchange, or other writing, by or on behalf of the party to whom such payment has been made, shall be deemed sufficient proof of such payment, so as to take the case out of the operation of the said statute of King James, (21 Jas. 1 c. 16.)

CONSTRUCTION OF AGREEMENT.

The construction of all written instruments belongs to the court alone. The following rules have been laid down as canons of construction :

1st. The whole of the agreement is to be considered in order to arrive at its meaning.

2nd. The agreement is to be construed so as to give effect to the object and intention of the contracting parties.

3rd. Where general words follow others of more particular meaning, they are to be construed as applicable to things ejusdem generis with the former particular words.

4th. The proper mode of understanding words is according to their ordinary sense and meaning.

5th. If a contract is made in one country to be performed in another, it will generally be governed by the law of the place of performance.

ASSIGNMENT OF DEBTS AND CHOSES IN ACTION.

The old rule of law was that the benefit of or the right to sue upon a contract could not be assigned, so as to give the assignee a right to sue in a Court of law. It was thought that to permit such assignment would induce litigation. To this rule there was an exception in the case of bills of exchange and promissory notes. It was found necessary, however, to change the old rule, and it is therefore provided by the Revised Statutes of Ontario, Chap. 116, Section 7, that every debt and chose in action arising out of contract shall be assignable at law by any form of writing, but subject to such conditions or restrictions with respect to the right of transfer as are contained in the original contract; and the assignee thereof shall sue thereon in his own name in such action, and for such relief as the original holder or assignor of such chose in action would be entitled to sue for in any Court of law in this Province.

Section 8 of the same Act provides that the plaintiff in any action or suit where the assignment is required by this act to be in writing may claim as as-

signee of the original party or first assignor, setting forth briefly the various assignments under which the said chose in action has become vested in him, but in all other respects the pleadings and proceedings in such action shall be as if the action was instituted in the name of the original party or first assignor.

Section 10 of the same act provides, that in case of any assignment of a debt or chose in action, arising out of a contract and not assignable by delivery, such transfer shall be subject to any defence, or set off in respect of the whole or any part of such claim as existed at the time of, or before notice of the assignment to the debtor, or other person sought to be made liable, in the same manner and to the same extent as such defence would be effectual in case there had been no assignment thereof, and such defence, or set off shall apply as between the debtor and any assignee of such debt or chose in action.

Section 11 of the same act provides, that in case of any assignment, in writing as aforesaid, and notice thereof given to the debtor or other person liable in respect of a chose in action, arising out of contract, the assignee shall have, hold, and enjoy the same, free from any claim, defences or equities, which might arise after such notice as against his assignor.

The 12th section provides that the preceding sections shall not be construed to apply to bills of exchange or promissory notes.

COMMERCIAL PAPER.

Mercantile transactions have given rise to the use of what may be called commercial paper, which may be defined as the written evidence of debt due by one person to another, to which custom and statute law have attached, in favor of trade, certain important incidents, the most important being negotiability.

The principles laid down with respect to contracts generally apply to commercial paper and need not therefore be repeated in this place.

Commercial paper consists of Bills of Exchange or Drafts, Promissory Notes and Cheques.

A Bill of Exchange is a written order for the payment of a certain sum of money unconditionally. He who makes the order is called the drawer, he to whom it is addressed the drawee, and if he accepts it, the acceptor; he, in whose favor it is made, the payee.

The following is a simple form of a Bill of Exchange:

$250 KINGSTON, October 3rd, 1886.

At sight (or thirty days after date, or on demand) pay to Henry Foster or order Two Hundred and Fifty Dollars, value received.

MARTIN MURDOCK.

To ROBERT GILLESPIE, Hamilton.

In this form Martin Murdock is the drawer, Robert Gillespie the drawee, (and when he accepts, the acceptor), Henry Foster, the payee.

A Promissory Note is a written promise to pay a certain sum of money unconditionally. He who promises is called the maker, he to whom the promise is made the payee.

The following is a simple form of note:

$300 KINGSTON, September 13th, 1886.

Three months after date I promise to pay to Henry Brame or order the sum of Three Hundred Dollars, for value received.

JOHN JONES.

In this form John Jones is the maker, and Henry Brame, the payee.

The forms given are simple and for the purpose of illustration. In practice it is well in the body of the instrument to name a particular place of payment.

The students must carefully note the definitions given of bills and notes, as every element in the definition is material. The following remarks apply to both bills and notes:

First. The order or promise must be in writing. It may be written in pencil or in any other substance, and upon any material.

Second. It must be for the payment of money; e.g. an order or promise to pay in goods or bonds would not be a good bill or note.

Third. It must be an unconditional order or promise. If it contains any condition precedent or defeasance, or is payable at an uncertain time, or out of an uncertain fund, it is no bill or note.

A bill or note need not be in any particular form of words, provided it fulfils the required conditions.

The principal parts of a bill or note are the amount, date, time for payment, place of payment, designation of payee, name of drawer, and name of drawee.

AMOUNT.

The amount is usually written in figures in the upper left hand corner and in words in the body of the instrument. If there is a difference the latter will control.

DATE.

A date is not an essential of a bill or note though it should always be used. If no date is expressed, the date of making, to be ascertained by evidence, will be the date of the instrument.

TIME FOR PAYMENT.

In ascertaining the time for payment the word "month" means calendar month. If no time for payment is specified, the instrument will be payable on demand.

PLACE OF PAYMENT.

It is always prudent, particularly in view of the possible necessity for protesting a bill or note, to name in the body of it a particular place of payment, e.g., some banking house. The question of place of payment will be considered further on under the head of "Presentment for Payment."

DESIGNATION OF PAYEE.

The bill or note may be payable to a particular individual, or to a particular individual or his order, or to the bearer. On the form of the bill or note in this respect depends its negotiability. If it is made payable to an individual simply

it is not negotiable. If payable to order, the person to whose order it is made payable may transfer his right to a third party by indorsing his name upon it. If it is made payable to bearer simply, or to a certain person or bearer, it may be transferred by mere delivery.

NAME OF MAKER OR DRAWER.

The name of the maker or drawer must be signed by himself or his duly authorized agent.

NAME OF DRAWEE.

The drawee may himself accept, or the acceptance may be given by some one authorized to accept on his behalf.

CAPACITY OF PARTIES TO A BILL OR NOTE.

The remarks made respecting the capacity of parties to contracts apply to bills of exchange and promissory notes, and need not be repeated here.

TRANSFER OF BILLS AND NOTES.

The old rule of law was that the benefit of a contract could not be transferred from one person to another so as to give the latter a right to sue on it in his own name.

An exception to this rule was, for the benefit of trade, created in favor of bills of exchange and promissory notes.

A bill or note payable to bearer may be transferred by mere delivery. A bill or note payable to order and indorsed in blank becomes payable to bearer. Suppose a note payable to John Smith or order; if it is indorsed by John Smith without the addition of any other words it is said to be indorsed in blank and it becomes payable to bearer. John Smith may, however, by indorsement make the bill or note payable to the order of some other person. This is called, an indorsement in full, or a special indorsement. This other person must indorse it to make it transferable.

An indorsement may be restrictive and may destroy the negotiability of the paper. "Thus, pay to A. B. only," is a restrictive indorsement. An indorsement may be conditional, that is, the payment may be made dependent upon a condition. To recover against the indorser in such a case, the condition must be shewn to have been fulfilled.

A qualified indorsement is one which limits the liability usually created by an indorsement. If the indorser adds to his indorsement the words "without recourse," or similar words, he will not be responsible as an indorser in the event of non-payment.

A note may be indorsed by the payee's legal representative, that is, his executor or administrator.

A person may acquire from the finder or thief a good title to a bill or note which has been lost or stolen, and which is transferable without indorsement, provided he gives valuable consideration for it, and does not act negligently so

as to give rise to a presumption of fraud; and provided also he has no notice of the loss or theft. Any holder who has acquired a good title may make a valid transfer to another who has notice of the loss or theft.

A bill or note may be transferred either before or after it matures. If transfered before maturity, the transferee without notice is not bound by any equities, so called, attaching to the instrument—such as a payment made on it. Nothing will discharge the acceptor or the drawer except payment according to the law merchant, that is, payment of the bill *at maturity*. If a party pays it before maturity he purchases it and is in the same position as if he had discounted it. If the bill or note is transferred after maturity the transferee's title is subject to all equities which may properly attach. Thus, if he took it after due from a thief or finder, he could acquire no better title than had the person from whom he took it.

The law implies on the part of an indorser an undertaking to the indorsee and every subsequent holder that the bill or note shall be discharged by the drawee or maker when it becomes due.

An indorsement in law includes a delivery. The mere writing of the indorsers name without delivery is not an indorsement.

ACCEPTANCE.

A person who draws a bill impliedly undertakes that it will be accepted when presented to the drawee for acceptance.

An acceptance is an engagement to pay the bill according to the tenor of the acceptance. The usual way of accepting a bill is by writing across the face of it the word "accepted," with the date and the name of the acceptor.

An acceptance might formerly in some cases have been by parol. By Con. Stat. U. C. c. 42., s. 7, it is provided that "No acceptance of any bill of exchange shall be sufficient to bind or charge any person unless such acceptance is in writing on the bill, or if there be more than one part to such bill then on one of the said parts."

An acceptance may be absolute or conditional.

If conditional, it becomes absolute only when the condition is fulfilled.

An acceptance may vary from the tenor of the order as to the sum, time, place or mode of payment, and the holder is bound by the variation if he assents to it. He may, however, refuse to take such a varied acceptance.

PRESENTMENT.

The holder of a bill or note ought to present it in due course for acceptance if necessary, and in all cases for payment, and to give notice if it be dishonoured to every party who would be entitled to bring an action on it, after paying it. If he fails in any of these particulars such parties will be discharged.

Presentment to the maker of a note or the acceptor of a bill is not generally necessary to charge him unless the instrument be payable either at or after sight.

By Con. Stat. U. C. c. 42, s. 5., it is provided that, "In case any person accepts a bill of exchange, payable at a Bank or at any other particular place without further expression in his acceptance, or makes a promissory note payable at

a Bank or at any particular place, without further expression in that respect, such acceptance and such promise shall be deemed and taken to be a general acceptance and a general promise respectively.

S. 6 provides: "But if the acceptor expresses in his acceptance that he accepts the bill payable at a Bank or at any other particular place only and not otherwise or elsewhere; or if the maker of a promissory note expresses in the body of the note that he promises to pay at a Bank, or at any other particular place only and not otherwise or elsewhere, then such acceptance or promise shall be deemed and taken to be a qualified acceptance or promise, and the acceptor or maker shall not be liable to pay the bill or note except in default of payment, when such payment has been first duly demanded at such Bank or other place."

Presentment must be made at a reasonable hour of the day on which the instrument becomes payable.

Presentment should be made to the drawee or maker or at the place where the bill or note is made payable. If the drawee or maker is dead, presentment should be made to his personal representative if there is one.

If the drawee or maker can not be found, a presentment at his house to some inmate will be sufficient.

TIME FOR PRESENTMENT FOR ACCEPTANCE.

A presentment for acceptance is necessary in the case of all bills payable at or after sight, and is a prudent precaution in the case of all bills, as, if accepted, the holder acquires the security of the acceptor, and if, refused, the holder can proceed at once against the drawer.

Presentment of a note payable at or after sight is necessary in order to fix a time for payment.

Presentment for acceptance when necessary must be made within a reasonable time.

What is a reasonable time depends on the circumstances of each case. It is a mixed question of law and fact.

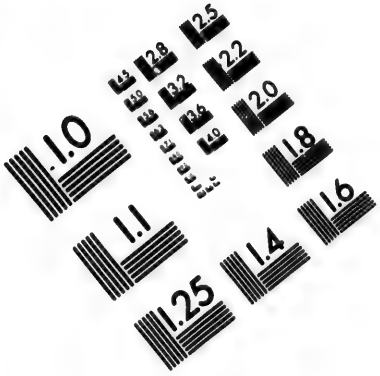
The rule depends upon the right which the drawer of a bill has to have the order which has given upon his debtor presented as soon as reasonable in order to protect him from the consequences of the debtor's becoming unable to pay.

A bill presented for acceptance should be left with the drawee twenty-four hours, unless in the interim he accepts or refuses to do so.

PRESENTMENT FOR PAYMENT.

A failure to present a bill or note for payment on the day it falls due will not ordinarily discharge the acceptor or maker. If, however, the acceptor or maker had money at the place of payment to meet the bill or note and the money was lost by reason of non-presentment, the failure to present might be a discharge.

But a presentment on the day of maturity and notice of dishonour are necessary to charge the drawer of a bill or the indorsers of a bill or note.



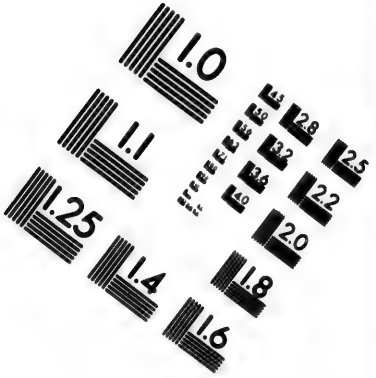
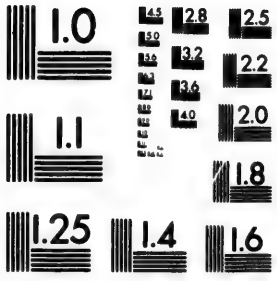
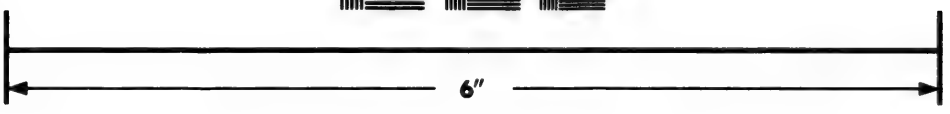
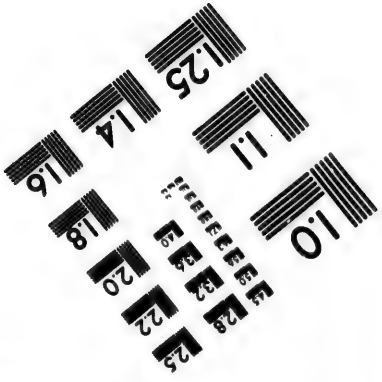


IMAGE EVALUATION TEST TARGET (MT-3)







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(716) 872-4503

2.5
2.2
2.0
1.8
1.0

A bill or note payable on demand is payable on presentment, and such presentment should be within a reasonable time. This reasonable time is a mixed question of law and fact.

The rule now is that if the instrument is payable at a banker's, and in the place where the party receives it, it suffices to present it for payment at any time during banking hours on the business day after it is received. If it be payable elsewhere it suffices to forward it by the regular post on the day after it is received, and the party receiving it by post has till the next day to present it.

A bill or note payable at sight or on presentation is payable on demand, but a bill or note purporting to be payable within a limited time after a certain event, e. g., after sight, or on a particular day, is not really payable till three days afterwards. These days are called days of grace.

By Con. Stat. Can., C. 57, S. 5, it is provided that whenever the day which would otherwise be the last day of grace for the payment of any bill of exchange or promissory note is a Sunday or legal holiday at the place where the same is payable in Upper or Lower Canada respectively, such bill or note shall be payable and the days of grace shall expire on the day next thereafter not being a Sunday or holiday as above mentioned and not before.

Con. Stat. U. C., Chap. 42, S. 19, provides that no bill of exchange shall be presented for acceptance on any nonjuridical day. S. 20 provides that all bills of exchange and promissory notes whereof the third day of grace falls on any nonjuridical day, shall become due and payable and be presented for payment on the juridical day next after such day of grace.

Stat. 35 Vic. C., 10 Dom., provides that every bill of exchange or promissory note which is made payable at a month or months from and after the date thereof becomes due and payable on the same numbered day of the month in which it is made payable as the day on which it is dated, unless there is no such day in the month in which it is made payable, and in such case it becomes due and payable on the last day of that month with the addition in all cases of the days of grace allowed by law.

NOTICE OF DISHONOUR.

When a bill or note is refused acceptance or payment, notice of dishonour should be given to every party to it to whom the holder wishes to have recourse. If a party be dead the notice should be given to his personal representatives.

This notice of dishonour is usually in writing, but may be by parol.

Notice should be given by the holder or on his behalf, or it may be given by or on behalf of any one who, being a party to the bill, will probably be entitled to call for payment.

The notice should show that the bill or note has been dishonored. It should ascertain the instrument with reasonable certainty. A protest is usual, but is not necessary in the case of Inland bills.

Con. Stat. U. C., Chap. 42, S. 15, provides that: Protests of Inland or Foreign bills or notes for dishonour, either by non-acceptance or non-payment, may be made on the day of dishonour at any time after non-acceptance, or in case of non-payment, at any time after three o'clock in the afternoon.

S. 16 of the same act provides that: A notice of such protest shall be sent to each of the parties to the bill or note, and such notice shall be deemed to have been duly served, for all purposes, upon the party to whom the same is addressed by being deposited in the post-office nearest to the place of making presentment of such bill or note, at any time during the day whereon such protest has been made, or the next juridical day then following.

In order to meet the difficulty created by the residence of a party to a bill or note being unknown, it was provided by Dom. Stat. 37 V., C. 47, S. 1, that "Notice of the protest or dishonour of any Bill of Exchange or Promissory Note payable in Canada shall be sufficiently given if addressed in due time to any party to such bill or note entitled to such notice at the place at which such bill or note is dated unless any such party has under his signature on such bill or note designated another place when such notice shall be sufficiently given if addressed to him in due time at such other place, and such notice so addressed shall be sufficient although the place of residence of such party be other than either of such before mentioned places." A promise to pay a bill by a person who has not received due notice of dishonour if he has full knowledge of the circumstances will operate as a waiver of notice and will revive his liability.

PAYMENT.

Payment should be made to the holder and real owner of a bill or note or to some one authorized by him to receive payment.

Payment may be enforced by action and any person liable on the bill or note may pay it and sue any person against whom he has a remedy. When payment is made after maturity by the person ultimately liable the bill or note is extinguished.

"LOST BILL OR NOTE."

A lost bill or note may be sued upon, and the court may on proper indemnity being given by the plaintiff, direct that the loss of the bill or note shall not be set up as a defence to the action.

RENEWAL OF BILL OR NOTE.

The renewal of a bill or note suspends the right of action upon it until at least the renewal is either surrendered or dishonored.

An agreement to renew made by parol contemporaneously with the note cannot be enforced. Such an agreement in writing is good as between the parties to it.

A parol agreement to renew after the bill or note has been made, if for valuable consideration, may be enforced.

There may be a satisfaction of a bill or note otherwise than by payment in money.

ALTERATION OF A BILL OR NOTE.

Any material alteration of a bill or note after it has been issued, unless satisfactorily accounted for, operates as a satisfaction of it.

Alterations in the date, sum, or time for payment, or the insertion of words authorizing transfer, or an unwarranted place for payment, or adding a new maker or drawer are material.

An alteration perfectly immaterial to the rights of the parties will have no effect, nor will an alteration made with the consent of parties before the note is issued.

DISCHARGE OF PARTIES BY GIVING TIME.

If the holder of a bill or note by a binding agreement gives time for payment to the person ultimately liable on the bill or note, all those parties who occupy the position of sureties are discharged. A mere delay in compelling payment, however, will not have that effect.

ACCOMMODATION PAPER.

An accommodation bill or note is one which is accepted or made without consideration for the accommodation or convenience of the person who obtains it. The accommodation acceptor or maker lends his name for the purpose of raising money or procuring credit. An endorsement may also be for accommodation. The person who thus lends his name assumes as regards third persons the responsibilities of his position on the bill or note. As between himself and the person who procured his signature, the latter is bound to protect him, against the payment of the note or bill.

"BANK CHEQUES."

A cheque on a banker is in effect a bill of exchange addressed by the drawer to the banker. The law applicable to a cheque varies, however, in some respects from that applicable to bills.

In the first place a banker is bound to honour a cheque duly presented to him if he has funds of the drawer in his hands. Acceptance, therefore, is unnecessary to create an obligation on his part.

The drawer of a cheque is, and remains, as far as the holder is concerned, the principal debtor; he is not, therefore, in the same position as the drawer of a bill.

The holder of a cheque is, however, bound to present the cheque within a reasonable time at the bank for payment, on peril, if the bank fails and the drawer had funds to meet the cheque, of having to bear the loss. Delay, however, will not prejudice his claim against the drawer of the cheque if the latter has not been thereby prejudiced.

Priority in the drawing of a cheque is said to give the holder no preference of payment over cheques subsequently drawn.

A cheque is usually made payable to order or bearer. The former is the more prudent mode of drawing a cheque, as, if so drawn, it cannot be paid without the payee's indorsement, which operates as a receipt for the money. A cheque payable to bearer furnishes no evidence of payment to the person to whom it is given.

The death of the drawer of a cheque before payment operates as a cancellation of the cheque. If the banker pays it, however, before notice of the death of the drawer is given, he is discharged.

If the banker pays a cheque, which has been forged, by alteration or otherwise, he is not protected and can only charge the drawer with the amount for which

the cheque was actually drawn. If, however, the drawer, by carelessness in the drawing of the cheque has facilitated the forgery, he may be held responsible for the consequences of his negligence. In one case a person drew a cheque on his banker for £50 2s 6d, but incautiously left a space before the words and figure fifty. This space a holder of the cheque filled up with the words three hundred, and the figure 3, respectively making the amounts in figures and words read £350 2s 6d. The banker paid the larger amount and it was held that the drawer must bear the loss. In another case a holder altered the figure 3 into 200. The banker paid the latter amount and had to bear the loss.

PRINCIPAL AND AGENT.

An agent is a person authorized to do some act or acts, in the name of another, who is called his principal.

The law authorizes the appointment of an agent to perform any act capable of being done by the principal in his own right. An agent cannot, however, delegate his discretion and powers, though he may appoint another to do mere formal acts for him.

Some persons, though disqualified by law from contracting, may yet act as the agents of others. Thus infants and married women may be agents. Idiots and insane persons cannot, however, be agents.

An agent may be appointed in many cases by parol. An agent to execute a deed, however, must be appointed by deed, and in some other cases within the Statute of Frauds the agent's authority must be in writing. The agent of a corporation should usually be appointed in writing.

The extent of an agent's authority is measured usually by the terms of his appointment, and a person dealing with an agent should be carefal to ascertain what authority the agent really possesses. The authority to do a certain act would usually imply authority to do all things necessary for the performance of that act.

The duty of an agent is to carry out the lawful instructions of his principal. Having accepted the employment of an agent he impliedly contracts with his principal that he is competent to perform the duties of his agency; and he will be liable for a failure in this respect unless, indeed, the principal knew of his incompetency when he appointed him. His appointment may be general or special, limited or unlimited; general to act in all the principal's affairs, or special to do some particular thing; limited so as to bind him to the performance of his duties in a certain way, or unlimited, leaving him discretionary powers.

An agent is bound to observe the strictest good faith towards his principal. He is not allowed to make a profit out of his agency except such as is agreed for between him and his principal, or is usual in the course of business. An agent for sale cannot purchase; at least the purchase is usually voidable by the principal, and an agent to buy cannot buy for himself or sell his own property to his principal without full communication of the facts.

One of the agent's most important duties is to keep full and clear accounts of the transaction in respect of which he is agent. He must credit his principal with all profits made directly or indirectly. He is not bound to the exercise of

more than ordinary discretion and is not responsible for losses occurring without his fault.

The remuneration of an agent may be fixed by agreement between him and the principal, or may depend on the usage of trade or business. He may lose his right to compensation by misconduct of any kind. He is entitled to be protected by his principal in the carrying out of his instructions, or of the duties imposed upon him, and he is of course entitled to be repaid all disbursements properly made by him.

The agent may bind his principal to third persons in matters within the scope of his authority; and that authority may be inferred from the course of dealing, as well as from actual instructions. Thus, if an agent is used to purchase on credit, and his principal recognizes and adopts such purchases, he may pledge his principal's credit in that way. So if a servant has been usually allowed to receive payment of money from customers, payment to him will be a sufficient discharge.

The agent's authority lasts until it is withdrawn. Proper notice should be given of such withdrawal, otherwise the agent may bind his principal by transactions with persons who do not know that his authority is determined.

An agent acting for a principal should usually act in the principal's name; should he act in his own name he may be held personally responsible by a person contracting with him and ignorant of his character of agent. Such a person may look either to the principal or the agent.

There are two large classes of mercantile agents—Factors "who have the possession of the property dealt with, as well as the power of disposing of it, and Brokers," who are employed to contract about it without being put in possession. The powers of a factor in dealing with goods and the rights of a purchaser from him form the subject of Rev. Stat. Ont., Chap. 121, the provisions of which are beyond the compass of this book.

PARTNERSHIP.

Partnership is the result of a contract whereby two or more persons agree to combine property or labour for the purpose of a common undertaking, and the acquisition of a common profit.

There may be a partnership in one transaction as well as in a continuing business, and between persons out of trade as well as in trade. Community of profit is the criterion whereby to ascertain whether a contract be really one of partnership.

Persons only who are competent to contract are competent to form a partnership for the purpose of carrying on business.

A person holding himself out to the world as a partner in a firm is responsible as such though he may have no interest in the firm. Such a person is called a nominal partner; conversely, a secret partner, that is, a person who is really a partner but whose name does not appear, is reponsible as such.

Limited partnerships, consisting of general and special partners, the liability of the latter being restricted, may be formed under the provisions of Rev. Stat. Ont., Chap. 122.

A partnership may be formed orally or in writing. It is prudent, however, always to have the partnership agreement in writing.

A partnership may be implied from the acts of the parties.

All trading partnerships must be registered within six months after their formation (Rev. Stat. Ont., Chap. 123), and all changes in the personnel of a partnership must also be registered.

The provisions of the Act should be carefully observed.

A partnership may be at will, for a limited time, or for a time dependent on the object and purpose for which it was formed.

A partnership may be dissolved, if at will, by any of the parties expressing his determination to dissolve, and this he may do without notice.

It may also be dissolved, if for a limited or stated period, by effluxion of time; if for the promotion of a definite object, by the accomplishment of that object.

It may also be dissolved by mutual consent; or by the judgment of the court, where its object is or has become impracticable, or the parties are hopelessly unable to agree, or it has been procured by fraud, or the concern becomes embarrassed, or one of the partners becomes of unsound mind, or at the instance of the other or others when one partner gravely misconducts himself in relation to the business. The Court does not interfere for light reasons such as petty squabbles.

The death of one of the partners operates as a dissolution, though provision is sometimes made for the carrying on of the business by his executors; and so it is thought does the sale of the interest of one partner under an execution.

In the absence of any agreement to the contrary partners are presumed to be jointly and equally interested in the partnership business. Of course their interests may be settled or determined by agreement.

Partners are bound to maintain towards each other the strictest good faith in the carrying on of the partnership business, to keep proper accounts, and to regard the interests of the partnership above and beyond private interests. One cannot make private profit at the expense of the rest. Where partnership articles are prepared their provisions must be strictly observed.

Each partner is the accredited agent of the rest, whether they be active, nominal, or dormant, and has authority as such to bind them, either by simple contracts respecting the goods or business of the firm, or by negotiable instruments circulated on its behalf, to any person dealing bona fide. It is because the powers of each partner are so great that the utmost good faith is required. It makes no difference as far as the responsibility of the partnership to the public is concerned, what private agreements or stipulations limiting their powers, the partners may have as between themselves, or whether or not the partner is acting in good faith towards his co-partners, unless the person dealing with the partner had notice of the restriction of his powers or of his frauds.

A partner cannot bind his co-partner in matters outside the business of the firm, or by contracts which do not come within the firm's usual course of business, unless he has special authority.

Thus a member of a firm of solicitors or medical men would not ordinarily have power to bind his co-partners by a note given in the name of the firm; for the giving of notes is not usual in their business.

A loan to one of a firm will not charge the rest, though the borrower may have applied to the use of the firm the money he obtained by the advance, unless indeed he was authorized to b :ow the money for the firm.

If, however, a member of firm buys goods which the firm deals in and uses them for the firm's purposes, the firm will be responsible though the purchase was made in the partner's own name.

The law presumes the purchase of goods to be for the firm ; but the advance of money is presumed to be a contribution by the borrower to the funds of the firm.

A member of a trading partnership can bind his co-partners by issuing and circulating negotiable instruments on its behalf.

If the conduct of a member of a firm in professing to deal on its behalf is such as to induce a man of moderate discernment to believe that he had no authority to bind his co-partners, the firm will not be bound if the member is acting mala fide. A negotiable instrument issued by a partner fraudulently cannot be enforced against the firm by the holder if he was guilty of fraud in receiving it from the partner. He may, however, pass it into the hands of another who can enforce it if he took it without notice of the fraud and gave valuable consideration for it.

Prima facie a partner has no right to pay his own debt with partnership securities. Such a transaction unauthorized would give no title to the holder and is regarded as fraudulent.

A firm may ratify and adopt the fraudulent act of a partner either by words or by actions, and it will thenceforth be binding upon them.

Notice to one partner in partnership matters is notice to all, and the act of one in the way of admission or acknowledgement binds all.

The firm is responsible, not only for the contracts but for the torts and frauds of each partner, committed in the course of the partnership business.

The entry of a new partner into a firm creates an entirely new partnership, and he will not be responsible for the debts or obligations of the old partnership, unless he chooses to assume them.

He may do this indirectly, however, as well as directly.

When a firm is dissolved proper notice of the dissolution is necessary to protect the partners against the acts of each other, for until such notice is given each partner will remain liable for the acts and contracts of the others in relation to the partnership, so far as they respect persons not aware of the dissolution who have previously dealt with the firm or have kno n the name of the partnership or have given credit thereto, although they would not be liable to mere strangers who do not credit the firm on the strength of the name of the retiring partner.

The notice should be given to all persons who have previously been in the habit of dealing with the firm and in the local newspapers. The dissolution should also be registered (Rev. Stat. Ont., Chap. 123.)

A notice of dissolution is not necessary where it is caused by the death of a partner, by bankruptcy, or by a judgment of the Court.

SALE.

Sale is a transmutation of property from one man to another in consideration of a money price. If the consideration is some other article the transaction is called barter or exchange.

The owner of property may ordinarily sell to whom he pleases, subject to any lien created on the property by mortgage, execution or otherwise.

In this Province a title cannot be made by a person, not the owner, to goods which have been lost or stolen.

A sale of goods may be by parol or by writing.

If the bargain transfers the ownership in a thing to another for a money price it is a sale. The sale is made when the agreement is made. The completion of the sale does not depend upon the delivery of the goods by the seller or the payment of the price by the buyer. By the mutual assent of the parties to the terms of the sale the buyer acquires at once the ownership, and all the rights and liabilities of the ownership, so that in case of any loss or depreciation of the articles purchased the buyer will be the sufferer and he will be the gainer by any increase in their value.

A parol sale of goods might by the common law have been and may still where the value is under $40 be in every instance effected, either by an agreement to be completed at once coupled with tender, part payment, or a delivery of the goods or by an agreement to be completed in future.

A mere parol proposal to buy or one side and an acceptance on the other followed by the separation of the parties, without more, would not constitute a sale, for the separation ended the negotiation; but if the proposal and acceptance were followed by a tender of the goods by the seller, or of the price by the buyer, or if any part of the goods had been delivered, or any part of the price paid, the sale would have been complete.

The rule is laid down that after payment of earnest and before payment of the whole price the property is in the purchaser subject to the vendor's lien, but the vendor may upon finding the purchaser delay to accomplish his bargain, go to him and request him to do so, and if he, after that, delays for an unreasonable time, he may treat such further delay as equivalent to a consent to rescind the sale. Where, however, the property has once passed, the mere failure of the purchaser to pay the price does not entitle the vendor to rescind the sale.

If the agreement is that if the purchase money be not paid by a given time the goods may be resold, the vendor may resell on non-payment at that time.

As to sales to be completed at a future time the rule is: "That if nothing remains to be done on the part of the seller as between him and the buyer, before the goods purchased are to be delivered, the property in the goods immediately passes to the buyer and that in the price on the seller. But if any act remains to be done on the part of the seller, then the property does not pass until that act has been done.

When the value of the goods is over $40 the sale is governed by the provisions of the 17th Section of the Statute of Frauds, and the 11th Section of Chapter 117 of Rev. Stat. of Ont., both of which are referred to in the chapter on contracts.

The purchaser has, on the completion of a sale, a right to the delivery of the goods to him. If the sale is for cash he must pay or tender the price. If on credit he need, of course, pay nothing before requiring delivery.

Goods are delivered when they are placed in the purchaser's power, so that he may immediately remove them and cannot be prevented from so doing.

Delivery to a carrier named by the purchaser is a delivery to him and discharges the seller from further responsibility. If no directions as to shipment are given by a purchaser residing at a distance the vendor should send the goods by the usual mode of conveyance.

Until delivery the vendor should take reasonable care of the goods, and he will be responsible for want of such care.

If goods are sold, and there is not an immediate delivery, and an actual and continued change of possession, the transaction must be evidenced by a bill of sale supported by an affidavit of the purchaser as to the good faith of the transaction; and the bill of sale must be registered within five days after its execution, otherwise the sale will be void as against subsequent purchasers or execution creditors (Rev. Stat. of Ont., Chapter 119, Section 5.) This precaution has been adopted by the Legislature to prevent frauds by collusive sales.

WARRANTY.

The vendor or seller of an article must strictly comply with any warranty he may have given. Such warranty may be express or implied.

Parties dealing in a particular business are presumed to contract with reference to the well established usages and customs of trade in that business, and such usages or customs are imported by law into the contract without being expressly mentioned.

The ordinary rule is that where an article is offered for sale and is open to inspection by the buyer, and no artifice or trick is used to conceal any defects in it, and no misleading or false statement is made by the seller respecting it, the buyer takes it at his own risk, and the law implies no warranty as to its quality.

The seller may puff or praise his goods as most sellers will, and this puffing or praising may exceed the limits of truth yet it will not amount to or be construed as a warranty or fraudulent representation.

On the sale of goods if nothing is said as to the character or quality of the thing sold, the buyer takes the risk of all latent defects unknown to the seller at the time of the sale, all that the seller answers for being that, as far as he knows, the article is what it appears to be.

Under a contract to supply goods of a specified description which the buyer has no opportunity of inspecting, the goods must not only in fact answer the specific description, but must be saleable or merchantable under that description.

If the seller is informed that an article of a certain quality, character, or description suited for some specific purpose, is required, the law implies an agreement on his part that he will supply to the purchaser an article of the quality, character, or description ordered and reasonably fit for the purpose for which it is required.

A manufacturer of an article impliedly agrees that all goods manufactured or

sold by him for a specific purpose and to be used in a particular way, are reasonably fit and proper for the purpose for which he professes to make them, and for which they are known to be required.

In cases of sale by sample there is an implied undertaking that the sample is fairly taken from the bulk of the commodity.

"PAYMENT AND TENDER."

Payment must be made in the currency of the country if required. A man is not bound to accept foreign money in payment of a debt due here. It must be made to the creditor, or to some one duly and properly authorized to act for him. A creditor has, on failure of his debtor to pay at the proper time, the right to sue for the money due him. The debtor may, however, tender the debt at any time before action is brought, and if his tender is proper and regular he will be protected against costs. A tender to be regular must be made in current funds and must be fettered by no unreasonable condition.

INTEREST.

Interest is allowed on money demands under the provisions of Rev. Stat. of Ont. Chap. 50 Sect. 267, which provides that :

"On the trial of any issue or any assessment of damages upon any debt or sum certain, payable by virtue of a written instrument at a certain time, the jury may allow interest to the plaintiff from the time when such debt or sum became payable."

The legal rate of interest in this Province is six per cent., though parties may contract for a higher rate.

Interest being allowed as damages for non-payment, it does not follow that the same rate of interest which is reserved in a note or mortgage will be payable after the note or mortgage matures. The court may allow only six per cent.

ARITHMETIC.

INTEREST.

Interest is an allowance made for the use of money, or for value received; and is reckoned at a certain rate per cent. for any given time, but usually for one year. Any sum of money is regarded as worth its interest for the time it is used.

The ***Principal*** is the sum on which interest is computed.

The ***Rate Per Cent.*** is the sum allowed for every hundred: thus, 6 per cent. means 6 on every hundred; and may signify 6 cents on every 100 cents, or 6 dollars on every hundred dollars.

The ***Amount*** is the sum of the interest and principal.

Simple Interest is that reckoned on the principal only.

Compound Interest is the interest on both principal and interest when the interest is not paid when due.

The term ***Interest*** means simple interest only.

Annual Interest is simple interest on interest payable annually and overdue, as well as on the principal.

Legal Interest is the rate allowed by law.

The taking of any more than the legal rate is an offence called *usury*, which is prohibited under various penalties.

In computing interest for the fractional parts of a year or month, the year is considered as consisting of 12 months of 30 days each. This, though not entirely correct, has the sanction of general usage, and the decision of courts.

When the rate is 6% per annum the interest of $1

For 1 yr. or 12 mos.		=	$0.06
" 2 "	($\frac{1}{6}$ of 12)	=	.01
" 1 "	($\frac{1}{2}$ of 2)	=	.005
" 60 dys.		=	.01
" 30 "	($\frac{1}{2}$ of 60)	=	.005
" 6 "	(1-5th of 30)	=	.001
" 1 "	($\frac{1}{6}$ of 6)	=	.00016

Hence, to find the interest of any sum of money @ 6%

For 2 months.....Divide by 100 or point off two figures.
" 1 " .....Point off two figures and divide by two.
" Any number of months..Find the interest for 1 mo. as above, and multiply by the number of months.
" 60 dys.....Point off two figures.
" 30 " .....Point off two figures and divide by two.
" 6 " .....Point off three figures.
" 1 " .....Point off three figures and divide by six.
" Any number of days....Point off three figures and multiply by one-sixth the number of days.

The interest at any other rate may be found as follows: Find the interest for the given time at 6% as above. One-sixth of this will be the interest at 1%. Multiply this by the given rate.

Ex. I.—*Required*, the interest of $1,248.60 for 1 month at 6%.

Solution—Point off two figures and divide by two.

2) $12 | 48.60

¢6 | 2430 *Ans.*

Ex. II.—*Required*, the interest of $1,368 for 6 days at 6%.

Solution—Point off three figures. $1.368 Ans.

Ex. III.—*Required*, the interest of $960 for 10 months and 18 days at 6%.

Solution—

2) $9.60 = Interest for 60 dys or 2 mos.
4.80 = " " 1 "
10

48.00 = " " 10 mos.
1.92 = " " 12 dys, 1-5th of 60 dys.
.96 = " " 6 " $\frac{1}{2}$ of 12 "

$50.88 *Ans.*

1. Find the interest of $1,000 for 1 year and 3 months at 6%.
Ans. $75.

2. What is the interest of $240.50 for 8 months and 12 days at 8%?
Ans. $13.47.

3. Find the interest of $462.50 for 3 months and 18 days at 5%.
Ans. $6.94.

4. *Required*, the interest of $2,440.50 for 97 days at 7%.
Ans. $46.03.

5. *Required*, the interest of a promissory note of $350 for 63 days at 7%.
Ans. $4.29

6. Find the interest of $356.40 for 1 year, 4 months and 12 days at 6%.
Ans. $29.22.

7. What is the interest of $6,488 from May 3, 1879, to Sept. 3, 1881, at 7%?
Ans. $1,059.71.

8. What is the interest of $3,212 from Aug. 24, 1881, to Jan. 20, 1884, at 4%? At 4½%? *Ans.* $309.07. $347.70.

DISCOUNT.

Discount is an allowance made by a Creditor to a Debtor for the payment of a debt before it is due. It is a deduction of a certain per cent. on the *present worth* of the debt, and not on the whole amount due at some future time. The object, then, is to find the amount of the deduction or discount. To illustrate the principal of finding the discount: Suppose J. B. McKay holds a note against L. A. Fell for $447, due in one year from date, without interest. What sum ought Mr. Fell to pay six months before the note is due, discounting at 6 per cent.? It is evident that he should pay only such a sum as, put at interest at the given rate and for the given time, would produce the amount of the note for the time drawn. The basis of operation is $1.00 present worth, which, on interest at 6 per cent. for six months, would amount to $1.03. Now if $1.03, the amount due on each dollar present worth at the end of the year, gives one dollar present worth at the expiration of six months. there will be as many dollars *present worth* in $447 as $1.03 is contained times in that amount, which is $433.98, the *present worth*. The discount is found by subtracting the *present worth* from the face of the note; thus, $447.00 − $433.98 = $13.02. Also obtained by computing the interest on the *present worth* for six months, at the given rate; thus, $433.98 × .03 = $13.02.

RULE.

Divide the face of the note, or debt, by the amount of one dollar, for the given time and rate. The quotient will be the present worth. Subtract the quotient from the face of the note, or debt, and the remainder will be the discount.

EXAMPLE.

1. What is the present worth of $180, payable in 3 years and 4 months, discounted at 6 per cent.?

Amount of $1 = $1.20) 180.00 ($150, present worth.
120

$150, present worth.	600	$180, given sum.
.20, interest on $1.	600	150, present worth.
$30.00, discount.		$30, discount.

2. What is the discount on $802, at 7%, due one year hence?

Ans. $52.50.

3. What is the present worth of a debt for $1,005, on which $475 is to be paid in 10 months, and the remainder in 1 year and 3 months, the rate of interest being 6 per cent.?

4. What is the present worth or cash value, and true discount, of a note of $9,000 for 94 days at 8%?

Ans. { Present worth $8,815.85. / True Discount $184.15.

5. What is the true discount of $3,450, due in 1 year and 8 months, at 9%?

Ans. $450.

6. A mortgage for $5,000, and Int. at 5% dated 1 Jan., 1882, and due 1 Jan., 1883, is sold 15 June, 1882, at its *present worth*. What is the present worth—discount at 5%?

Ans. $5,110.87.

NOTE.—When payments are to be made at different times, without interest, find the present worth of each payment separately, and take their sum.

BANK DISCOUNT.

Bank Discount is the simple interest on the Face of a Note or Draft, for the time it has to run, paid in advance. It may be computed by any of the methods given for simple interest.

On notes without interest bank discount is reckoned on their face. On interest bearing notes it is reckoned on the *amount* due at maturity, or their face plus the interest for the full time of the note.

The ***Proceeds*** of a note is the amount received by the holder from the bank when the note is discounted.

True discount, as already shown, is simply the interest on the true present worth for the given time and rate. The difference between bank and true discount is equal to the interest on the true discount for the given time, plus the interest on the principal for three days.

EXAMPLE.

What is the bank discount on a note for $15,958, having 60 days to run, at 6 per cent. ?

SOLUTION— $\frac{1}{20}$)$159.58 Interest for 60 days.
7.98 " " 3 "

$167.56 63

Face of Note	$15,958
Discount	167.58
Proceeds	$1,5790.44

2nd Ex.—Find the Bank Discount and proceeds of the following interest-bearing note, if discounted at Bank, Nov. 5, 1881, @ 6 %.

$3,000. Kingston, Sept. 16, 1881.

Four months after date, I promise to pay A. L. Davis or order, three thousand dollars, value received, with interest @ 5 %.

ANALYSIS.—The interest on the note for 4 mos. and three days is $51.25. $3,000 + $51.25 = $3,051.25, the amount of the note at maturity, (19th January, 1882.) The discount on $3,051.25 for 75 days, (Nov. 5th to Jan. 19th) at 6 % is $38.14. The Proceeds are $3.051.25, less the discount $38.14, or $3,013.11. Hence to find the Bank Discount and Proceeds. When the Face of the Note or Draft, Rate of Discount and Time are given.

RULE I.—Compute the interest on the face of the note for the given rate and time of discount, (including 3 days grace), and the result will be the Bank Discount.

II.—Subtract the bank discount from the face and the result will be the proceeds.

III.—If the note bears interest, compute the interest for the full time of the note, (including 3 days grace), and add it to the face. This will be the amount at maturity, upon which the discount must be computed for the unexpired time as above.

I.—What is the Bank Discount on a 90 days note for $1,800 @ 6 %. Ans. $27.00

II.—What is the Bank Discount on a four mos. note for $1800. @ 7 %. Ans. $43.05.

III.—What are the Bank Discount and Proceeds of a 3 mos. note for $3,600 @ 5 %.

Discount, $46.50. Proceeds, $3,553.50.

IV.—Find Proceeds of a 5 mos. note for $950 @ 7½ %.

Ans. $929.40.

V.—A merchant sold 50 bbls. flour at $5.76 per bbl., for which he received a note payable in 5 months. How much money will he receive at a bank for this note, discounting at 7 %.

Ans, $278.95.

VI.—If the following note was discounted 8th April, 1882, how long had it to run and what were the Proceeds?

$980.50. Kingston, 4th Jan., 1882.

Six months after date, for value received, I promise to pay J. A. Scott or order, nine hundred, eighty and $\frac{50}{100}$ dollars at the Federal Bank.

O. E. TELGMANN.

Ans. 90 days. Proceeds, $965.79.

VII.—Required the time when the following note will become legally due and the Bank Discount, provided it was discounted 14th July, 1882, at 7 %.

$590. Montreal, 22nd April, 1882.

One hundred and twenty days after date, for value received, I promise to pay David Johnston or order, five hundred and ninety dollars, at the Molson Bank.

WM. VANESS.

Ans. Aug. 23rd, 1882. Discount, $4.59.

VIII.—If the following note was discounted at the bank, Nov. 1st, 1883, @ 6 %, what were the Discount and Proceeds?

$1,000. Prescott, Jan. 7th, 1883.

One year after date, for value received, I promise to pay R. Nelson or order, one thousand dollars, with interest @ 7 %.

Discount, $12.49. Proceeds, $1,058.09.

IX.—Required the legal time of maturity of the following note, the unexpired time, and the proceeds, its having been discounted 10th April, 1882, @ 6 %.

$175.50. Trenton, 15th March, 1882.

Ninety days after date, for value received, I promise to pay E. P. Dunn or order, one hundred, seventy-five and $\frac{50}{100}$ dollars at the Montreal Bank, with interest.

L. A. FELL.

Ans. 16th June, 1882. Unexpired time 67 days. Proceeds, $176.23.

X.—What would be the Proceeds of a 120 days note for $3,250, with interest at 6 %, dated Nov. 10th, 1885, and discounted Jan. 12th, 1886, @ 10 %. Ans. $3,261.35.

TO FIND THE FACE OF A NOTE OR DRAFT WHEN THE PROCEEDS, TIME AND RATE ARE GIVEN.

Business men sometimes wish to obtain a certain sum of money from a bank on their endorsed note, payable at some future times. Suppose R. Findlay wants $75 from the Federal Bank on 3 months time, and to obtain it has his note endorsed by L. A. Fell. For what sum must it be drawn, so that when discounted for ninety days @ 6 % it will produce $75?

Analysis.—The Bank will charge a discount of $0.0155 on every $1 of the face of the note, leaving as proceeds $0.9845. Since a note of $1 discounted for 93 days @ 6 % will afford $0.9845, proceed, to afford $75, proceeds the face of the note must be as many times $1 as $0.9845 is contained in $75, or $76.18. Hence,

Rule.—Divide the given sum by the proceeds of $1 for the given time and rate, (including three days grace), and the quotient will be the face of the note. To find the Bank Discount, subtract the proceeds from the face.

EXAMPLES.

1.—What is the Face of a Note, drawn for 4 mos. and 12 days, which yields $128 when discounted at the bank @ 6 %.

$130.95.

2.—A. McDonald is indebted at the Bank in the sum of $560, which he wishes to pay with a note at 3 mos. For what must the note be drawn, discount @ 7 %.

Ans. $570.32.

3.—E. F. Gaulin owes me $720. Not having the money he gives me his note at four months. What must be the face of the note, so that when discounted at Bank at 6 %, it will yield the amount of the bill. Ans. $735.07.

4.—For what amount must a note be made for ninety days to afford $7520, if discounted at the Bank at 8 % ?

Ans. $7678.69..

MISCELLANEOUS PROBLEMS IN INTEREST, DISCOUNT AND BANK DISCOUNT.

1.—What is the interest of $108.60 from Sept. 12th, 1886, to May 6th, 1890, at 8 % ? Ans. $31.71.

2.—Required the amount of $804.25 for 1 year, 5 mos., 10 days, at 7½ % ? Ans. $891.38.

3.—At what rate per cent. will $216 yield $122.22 in 5 years, 7 mos., 27 days ? Ans. 10 %.

4.—What principal will produce $49.20 interest in 1 year, 4 mos., 12 days, at 6 % ? Ans. $600.

5.—Required the time in which $300 will gain $47.25 interest at 6 % ? Ans. 2 years, 7 mos., 15 days.

6.—What is the present worth of $260 due in 8 mos., witohut interest, the current rate of interest being 6 % ? Ans. $250.

7.—What is the present worth of $305.75, due in 9 mos., 6 days, without interest, current rate 9 % ? Ans. $286.01.

8.—Required the amount tor which a note due in 90 days must be given that the proceeds may be $1969, discounting at 6 % ?

Ans. $2000.

9.—Required the proceeds of a note for $900, due in 6 mos., discounted at bank at 8 % ? Ans. $863.40.

10.—What must be the face of a note, so that when discounted at the bank at 7 % for 1 year, 2 mos., the proceeds will be $500 ?

Ans. $544.81.

11.—A note dated Feb. 20th, 1886, for $5,000, with interest at 7 %, payable in 90 days, is discounted at bank at 7 %, March 18th, 1886. Required net proceeds ? Ans. $5062.35.

12.—A note of $450 dated April 3rd, 1886, and payable in 90 days, without interest, was discounted May 10th, 1886, at the bank at 6 %. Find the proceeds ? Ans. $445.80.

LOSS AND GAIN.

Profit and Loss is a commercial term used to express a gain or loss in business transactions.

It is usually represented by a certain rate per cent. on the first cost of goods.

The principles of percentage are applied to many of the most common business transactions. Among the most important are Trade Discount, Commission, Insurance, Profit and Loss, Duties, Interest and Exchange. Profit and Loss has three cases which are important to the business man.

CASE I.

To find the selling price, when the cost and the gain or loss per cent. are given.

RULE.—Multiply the cost by the rate per cent., and the product will be the gain or loss. Add the gain to the cost, or subtract the loss from the cost, and the result will be the selling price.

CASE II.

To find the cost, when the selling price and the gain or loss per cent. are given.

RULE.—Divide the selling price by 100 plus the rate per cent. of gain, or 100 minus rate per cent. of loss, and the quotient will be the cost.

CASE III.

To find the gain or loss per cent., when the cost and selling price are given.

RULE.—Divide the gain or loss by the cost, and the quotient will be the rate per cent. of gain or loss.

The examples under these cases will be given promiscuously. It is left for the student to decide to which case a problem belongs.

1.—A merchant bought a farm for $3,560. For what price must he sell it to gain 25 % of its cost. Ans. $4,450.

2.—A man bought a horse for $128 and sold it at 12 % less than cost. What was his loss? Ans. $15.36.

3.—Bought wheat at $2 per bushel and sold it at $1.60 per bus. What per cent. did I lose? Ans. 20 %.

4.—A farm was sold for $6,390, which was 12½ % more than it cost. What was the cost of the farm? Ans. $5,680.

5.—A cargo of damaged corn was sold for $9,450, which was 33⅓ % less than cost. What was the cost of the corn? Ans. $14,175.

6.—A grocer sold tea at 30 cents above cost and gained 16⅔ %. What was the cost of the tea? Ans. $1.80.

7.—Sold tea at 90c. a pound and gained 20 %. What would have been my gain per cent. had I sold it at $1 a pound? Ans. 33⅓ %.

8.—A grocer sold 82 bbls. apples at 22 % profit and gained $45.10. What did they cost per barrel? Ans. $2.50.

9.—If by selling tea at 47½c. per pound, I lose 5 %. At what price must I sell it to gain 15 %? Ans. 57½c.

10.—Selling price is $1.32. Loss 8⅓ %. Find the cost?
Ans. $1.44.

EXAMPLES—PERCENTAGE.

11.—A merchant's price is 25 % above cost. If he allows a customer a discount of 12 % on his bill, what per cent. profit does he make?
Ans. 10 %.

12.—How must cloth, costing $3.50 a yard, be marked, that a merchant may deduct 15 % from the market price, and still make 15 % profit. Ans. $4.735.

13.—By selling a piece of cloth at $2 per yard I lose $6, had I sold it at $4 a yard I would have gained $18. How many yards did I sell? Ans. 12 yards.

14.—A merchant marked a piece of silk at 25 % above cost, and then sold it at 20 % less than the marked price; did he lose or gain and how much? Ans. Sold at cost.

15.—If cloth when sold at 25 % loss, brings $5 a yard, what would be the loss or gain if sold at $6.40 a yard? Ans. 4 % loss.

16.—If a man buys goods at a certain price, 10 and 5 % off, and sells them at the same price 5 % off, What per cent. profit does he make? Ans. $11\frac{1}{9}$ %.

17.—If I mark goods at an advance of 40 %, and then sell them at a discount of 30 % off the marked price. What is the result?
Ans. Loss 2 %.

18.—If I mark goods to be sold at a gain af 25 % on cost, what per cent. discount can I allow from the marked price and still make 5 %.
Ans. 16 %.

19.—The list price for door handles is $4.50 per set, less 40 % and 10 %. What is the net price? Ans. $2.43.

20.—A horse was sold for $658, which was $16\frac{4}{7}$ % more than it cost. What was the cost? Ans. $564.

BROKERAGE AND COMMISSION.

Brokerage and Commission is an allowance, generally of a certain per cent., made to an agent for transacting business for another.

An agent, factor, or broker is a person who transacts business for another.

An agent who buys or sells for a person is usually called a commission merchant.

An account sales is a detailed statement, rendered by the commission merchant to the shipper, showing the sales, the charges or expenses incurred and the net proceeds.

Brokerage or Commission is usually computed at a certain rate per cent. on the amount of sales, collection or investment.

The general principles of percentage are applied.

CASE I.

To find the Brokerage or Commission on any given sum.

Ex.—My agent sells goods to the amount of $4,500. What is the commission @ 3 %?

Analysis.—If I allow my agent .03 on every $1 worth of goods he sells, his commission would be $4,500 × .03, or $135.00.

CASE II.

Sometimes business men send their agents a certain amount of money, instructing them to retain their commission and invest the balance. In this case should the percentage be computed on the whole amount received, the agent would receive commission on his commission, which would be incorrect.

Ex.—A. McDonald sends his agent in Montreal $1545, with instructions, after deducting his commission at 3 %, to invest the balance in wheat. What will the agent invest and what will be his commission?

Analysis.—In order that the agent may invest $1 and have his commission .03, he must receive $1.03. Hence he can invest as many dollars as $1.03 is contained times in $1545, or $1500. Subtract this amount from $1545 and it leaves his commission $45.

1.—Commission merchant sold 540 bbls. flour at $6.37½ a bbl. What was his commission @ 3 %? Ans. $103.28.

2.—A lawyer collected 65 % of a note of $950 and charged 6¼ % commission. What was his commission? Ans. $38.59.

3—.An attorney charged $75 for collecting rents to the amount of $1125. What was the rate of commission? Ans. 6⅔ %.

4.—An agent charged 2½ % commission for buying produce, and his commission was $750. How much produce did he purchase? Ans. $30,000

5.—A merchant paid a broker ⅜ % for a draft of $1280 on New York. How much was the brokerage? Ans. $4.80.

6.—Paid a broker $32 for investing money in bank stock selling at par, paying him a commission of ¼ %. How much did he invest? Ans. $12,800.

7.—Sent my agent in Chicago $5,000, with instructions to purchase wheat at $1.10 a bushel, after deducting his commission at 2½ %. How many bushels of wheat did he buy? Ans. 4,434.59 bus.

8.—Sold wheat on a commission of 5 %. Invested proceeds in tea at 2 % commission. My whole commission was $70. What was the value of the wheat and the tea? Ans. Wheat, $1020; tea, $950.

9.—My agent sold 102 tubs of butter, worth $20 a tub at 3 % commission and invested the proceeds in flour at $6 a barrel, first deducting 2 % commission for buying. How much did he invest in flour?

Ans. $1040.

10.—A commission merchant bought $1800 barrels flour at $5.75 a barrel, receiving a commission of 3½ %, and invested the net proceeds in coffee at 28c. per lb., first deducting 2 % commission. How many pounds of coffee did he purchase? What was his entire commission?

Ans. $25,256.9 lbs.; $408.06.

STOCKS.

A ***Corporation*** is a body authorized by a general law, or by a special charter, to transact business.

A ***Charter*** is the legal act of incorporation, and defines the powers and obligations of the incorporated body.

Capital or ***Stock*** is the money paid in to carry on the business of an individual corporation or firm.

A ***Share*** is one of the equal parts into which the stock or capital is divided, and is usually $100, though sometimes $50 or $25.

Stockholders are the owners of one or more shares of the capital stock.

The ***Par Value of Stock*** is the number of dollars named in each share.

Stock is ***At Par*** when the shares sell for their face.

Above Par, at a premium, when the shares sell for more than their face.

Below Par, or at a discount, when shares will not sell for their face.

The ***Premium*** and ***Discount*** on stocks are generally reckoned at a certain per cent. on the par value of the shares, and the ordinary rules of percentage apply.

Ex.—What is the value of 20 shares of R. R. stock at 8 per cent. premium, par value being $100?

Solution—20 × $100 = $2,000 × $1.08 = $2,160.

Explanation—Each share is worth 8 per cent. more than its original value. Hence $1 stock is worth $1.08; then $2,000 stock is worth 2,000×1.08 or $2,160.

1. What sum must be invested in 8 per cent. stock @ 120 so as to produce an income of $560? Ans. $8400.

2. Which is the better investment, 9 per cent. stock at 25 per cent. premium, or 6 per cent. stock at 25 per cent. discount?

Ans. The latter.

3. What must be given for 50 shares of C. P. R. stock, par value $50, @ 8 per cent. discount? Ans. $2425.

4. I sell out Bank stock which pays 8 per cent. @ 96, and invest the proceeds in Railway stock, paying 5 per cent. at par. How much per cent. is my income increased? Ans. 1 4-5ths.

EXCHANGE.

By Exchange is meant the method of paying debts in places distant from each other without the transmission of money, and such a large part of the business of the country is transacted through this medium of exchange, that a knowledge of this subject is indispensable to one engaged in business.

Foreign Bills of Exchange are usually drawn in the money of account of the countries in which they are payable. Thus, drafts on England are drawn in pounds, shillings, and pence; on France, in francs, &c.

Nearly all our exchanges with Europe are effected through the great financial centres, London and Paris. Hence we shall deal with exchanges on London and Paris only in this work.

Exchange on London (Sterling Exchange) is quoted by giving the value of £1 in dollars and cents. The par value £1 is $4.86⅔.

Exchange on Paris is quoted by giving the value of one franc in dollars and cents. The par value of 1 franc is $.185.

When exchange is quoted above these values it is at a premium, and when below, at a discount.

Ex.—Find the cost of a Bill of Exchange on London for £120 @ $4.85.

SOLUTION—£1 costs $4.85, and $120 will cost 120 times $4.85, or *Ans.* $582.

Ex. 2.—Find the face of a Bill of Exchange on London that costs $4,261.23, if exchange is quoted at 4,8665.

SOLUTION— 4.8665)4261.23

£ 875.625
20

s 12.500
12

d 6.000

ANALYSIS—$4.8665 will buy £1. Hence $4261.23 will buy as many pounds as $4,8665 is contained times in $4261.24, or

£ s d
£875.625=875 12 6

TO REDUCE SHILLINGS, PENCE AND FARTHINGS TO THE DECIMAL OF A POUND.

RULE.—Multiply the number of shillings by five, and write the product as hundredths.

II.—Write the number of farthings in the given pence and farthings as thousandths, adding one if the number is 12 or more, and two if it is 36 or more.

III.—The sum of these will be the required decimal of a pound.

Ex.—What is the value of £2 3s 6½d, at $4.80?

SOLUTION—£2 3s 6½d=£2.177×4.80=$10.45.

ANALYSIS—We reduce the shillings, pence and farthings to the decimal of a pound by preceding rule. Thus—3 shillings are $\frac{3}{20}$ of a £ =.15 of a pound (3 × 5). 6½ pence are $\frac{6\frac{1}{2}}{240}$ of a £, multiply both terms by $4\frac{1}{6}$ and you have $\frac{27.5}{1000}$= .0275.

A sufficiently accurate result may be obtained by expressing the pence and farthings as farthings and adding 1 when the product is 12 or upwards, and 2 if 36 or upwards, and calling the results thousandths. Thus $6\frac{1}{2} \times 4 = 26$ plus 1 equals .027.

.15 plus. 027=.177 of a pound, the required decimal, annexing the decimal of the pounds we have £2.177 × 4.80, gives $10.45.

AVERAGING ACCOUNTS.

To average an account is to find the average or mean time when the payment of the balance of an account may be made without loss to either party.

The time when the account falls due by average, is called the Equated Time or Average Date.

Simple Average is the process of averaging an account containing debit or credit items only.

By assuming a certain date as the time of settlement we find what the loss or gain of interest would be to the payer, if all the bills were paid by him on that date. We next find in how many days the balance of the account would produce a sum equivalent to this loss or gain of interest and find the true day of settlement by counting backward or forward this number of days from the assumed date.

Any date may be assumed as the date of settlement this is called the Focal Date. For convenience the latest date is generally used. Any rate of interest may be used but the legal rate 6% is usually computed.

Ex—.At what time may the following Bills of Merchandise be paid in one amount without loss of interest to either party?

Due Feb. 3, 1886, a bill of.....$450
" " 24, " " " " 500
" Mr. 25, " " " " 750
" Apr. 20, " " " " 600

Solution—Assume 20 April as Focal Date.

The Interest on $450 from 3 Feb.—20 Apr. is $5.78
" " " 500 " 24 " —" " " 4.67
" " " 750 " 25 Mr.—" " " 3.13
" " " 600 " 20 Apr.—" " " .00

Amount of Account $2,300 Total Interest $13.58

$2,300 will earn $0.3833 in one day
2,300 " " $13.58 in as many days as $0.3833 is contained times in $13.58 or 35 days. Hence,

Rule.—Assume the latest date on which any of the items is due as the Focal Date. Compute the interest on each item of the account from the date it is due (its date plus its term of credit) to the Focal Date. Divide the total amount of interest by the interest on the total

amount of the bills for one day, and the quotient will be the number of days to count back from the Focal Date.

2.—When is the following account due by average?

April 15, 1886, a bill of $400 on 3 mo. credit
May 20, " " " " 245 on 4 " "
June 25, " " " " 375 on 4 " "
Sept. 15, " " " " 625 on 3 " "

Ans. Oct. 14, 1886.

3.—Street, Clark & Co., Dr.

1886
May 9, To Mdse. $340 on 4 mo. credit
June 6, " " 530 on 4 mo. "
July 8, " " 213 on 3 mo. "
Aug. 30, " " 150 on 4 mo. "

Required, the equated date of payment for above account.

Ans. Oct. 9, 1886.

4.—Jones, Walker & Co. bought of Gildersleeve & Reeves, several bills of goods, as follows:

March 3, 1885, $250 on 3 mo. credit
April 15, " 180 on 4 mo. "
June 20, " 325 on 3 mo. "
Aug. 10, " 80 on 3 mo. "
Sept. 1, " 100 on 4 mo. "

What is the equated date of maturity? How much would pay the account Dec. 1st. 1885? *Ans.* August 30th, 1885. $949.49.

The following is another method of arriving at the average date of payment.

1.—A owes B $300, of which $200 is due in 3 months, and $100 in 6 months. When will the payment of $300 equitably discharge the debt?

SOLUTION—$200 × 3 = $600
100 × 6 = 600

$300) $1,200
4

Ans. 4 months.

ANALYSIS.—A is entitled to the use of $200 for three months, which equals the use of $600 for 1 month, and to the use of $100 for 6 months, which equals the use of $600 for 1 month; hence, he is entitled to the use of $300 until it equals the use of $600 + $600 or $1200 for 1 month. It will take $300 as many months to equal the use of $1,200 for 1 month, as $300 is contained times in $1,200, which is 4. Hence the payment of 300 in 4 months will equitably discharge the debt.

2.—Find equated date of the maturity of the following:

Due June 3, 1886, $450
" " 24, " 500
" July 25, " 750
" Aug. 20, " 600

3.—Find equated time of payment of the following account?

JOHN BROWN Dr.

1886

Mar. 15,	To	Mdse.	@	60 days	$324
May 14,	"	"	"	30 "	676
June 12,	"	"	"	3 mos.	480
July 15,	"	"	"	90 days	225
Aug. 3,	"	"	"	3 mos.	422

Ans. Aug. 11, 1886.

RULE.—Find the date of maturity of each item in the account; then multiply each item by the number of days between the maturity and the Focal Date. Then divide the sum of these products by the sum of the items, and the result will be the number of days to count backward or forward from the Focal Date.

COMPOUND AVERAGE.

Compound Average is the process of finding the mean or equated time, for the payment of the balance of an account containing both debits and credits.

The object of averaging an account current may be either to find a date for settlement in the future, or to determine the time from which to compute interest on the balance, when the average date is past.

Ex.—When is the following account due by average?

Dr.	W. W. Squire.	Cr.
1883		1883
June 6, To Mdse. @ 30 days	456	July 25, By Cash..... $400
" 20, " " " 60 "	384	Aug. 10, " " 375
July 5, " " " 3 mos.	216	" 10, " Note @ 60 days... 288
" 26. " " " 3 mos.	552	

Solution—Assume Oct. 26 the latest date due on either side as the Focal Date.

Interest on	$456	from July 6	—Oct. 26	is	$8.36
" "	384	" Aug. 19	— " "	"	4.29
" "	216	" Oct. 5	— " "	"	.76
" "	552	" " 26	— " "	"	.00
Total Debit	$1,608	Total Debit Interest			$13.41
Interest on	$400	from July 26	—Oct. 26	is	$6.00
" "	375	" Aug. 10	— " "	"	4.75
" "	288	" Oct. 12	— " "	"	.67
Total Credit	$1,063	Total Credit Interest			$11.42

The debit balance of interest is $13.41 less $11.42 or $1.99.

The debit balance of the account is $1,608 less $1,063 or $545.

$545 will earn $.0908 Interest in 1 day.

$545 will earn $1.99 in as many days as $.0908 is contained times in $1.99 or 22 days.

Therefore the account is due by average 22 days earlier than Oct. 26, or Oct. 4. Hence,

Rule.—Compute the interest on each item of the account from the time it is due (its date plus its term of credit) to the Focal Date. Find the total debit interest, and the total credit interest, then divide the difference between the debit and credit interest by the interest on the balance of the account for 1 day, and the quotient will be the number of days to count backward or forward from the Focal Date.

If the balance of the account and the balance of interest be in favor of the same side count back. If on opposite sides count forward.

2—When is the following account due by average ?

Dr,							FRED. D. ALLEN.			Cr.
1886								1886		
Sept. 12,	To Mdse.	@	30	days	$927	30		Oct. 10.	By Cash	$500
Oct. 15,	" "	"	30	"	342	75		Nov. 20	" "	300
Nov. 18,	" "	"	60	"	212	13		" 30	" "	250
Dec. 1,	" "	"	30	"	175	50				

Ans. Nov. 20, 1886.

3.—Average the following account :

Dr.						JOHN J. ASTOR.			Cr.
1886							1886		
Mar. 1,	To Balance old Acct.				$ 325		Mar. 16,	By Cash	$ 250
Apr. 16,	" Mdse.	@	2	mos.	623	47	May 20,	" "	300
May 11,	" "	"	2	"	1722	30	July 30,	" Note @ 30 dys	1000
June 16,	" "	"	30	days	975	12	Aug. 31,	" Cash	560
July 30,	" "	"	60	"	146	35			
Aug. 17,	" "	"	30	"	1650	25			

Ans. July 21, 1886.

PARTNERSHIP & PARTNERSHIP SETTLEMENTS.

A partnership contract is made by two or more persons to combine their property, labor, or skill, for the transaction of business for their common profit.

Each person thus associated is called a Partner.

The money or property invested by all the partners is called Capital Stock, Joint Stock, or Stock in Trade.

The profits to be shared by each of the partners are sometimes called Dividends.

Each partner's stock, increased by gain or diminished by loss at the time of settlement, is called his interest in the business,

Partnership Settlements.—The object of a partnership settlement is to ascertain the relations in which the partners stand to the business and to each other. Such settlements should be effected at least once every year, and must be made when a partnership is dissolved. The process of adjusting the accounts of a company is illustrated in the examples below.

SIMPLE PARTNERSHIP.

When the capital of the several partners is invested for the same length of time, and they are to share gains and losses in proportion to the capital invested.

Ex.—A, B, and C, entered into partnership. A puts in $8,000; B, $4,500; and C, $3,500. At the time of the dissolution of the firm the net profits were $6,400. What was each partner's share of the profits? The whole capital invested is $16,000.

SOLUTION—Since $16,000 Capital earns $6400

∴ $1	" "	6400 ÷ 16000 = $.40
$8000 (A's capital)	"	8000 × .40 = $3200
$4500 (B's ")	"	4500 × .40 = $1800
$3500 (C's ")	"	3500 × .40 = $1400

Hence, A's share of tho gain is $3,200; B's, $1,800; and C's, $1,400.

II.—A and B enter into partnership for three years. A invests $1,280, B invests $5,720; they gain $980. What is each man's share of the profits?

Ans. { A $179.20. B 800.80.

III.—C and D purchase a farm for $8,640. A gave in payment a house and lot valued at $4,200, and D the balance in cash. They rented the farm for $864 annually. What share of the rent should each have?

Ans. { C's share, $420. D's " 444.

COMPOUND PARTNERSHIP.

When the several shares of capital have been employed for different periods of time, to find each partner's share of the profits or loss.

Ex.—A, B, and C, engaged in business. A invested $700 for 6 months; B, $800 for 10 months; C, $1,200 for 2 months. The profits were $438. What was each man's share of the gains?

The use of $ 700 for 6 months = $4200 for 1 month.
" " " 800 " 10 " = 8000 " 1 "
" " " 1200 " 2 " = 2400 " 1 "
∴ The use of the entire investment was equivalent to the use of $14,600 for 1 month.

SOLUTION—Since $14,600 earns $438
∴ 1 will earn .03

Hence, $4,200 (A's capital) will earn $4200 × $.03 = $126
8000 (B's ") " " 8000 × .03 = 240
and 2400 (C's ") " " 2400 × .03 = 72
∴ A's share of the gain is $126; B's, $240; and C's, $72. Hence,

RULE.—Multiply the amount of capital invested by each partner by the time of its investment, and taking the product as his capital and the sum of the products as the entire capital proceeds as in simple partnership.

1. A, B, and C, are partners. A puts in $600 for 8 months; B, $900 for 6 months; and C, $700 for 5 months; they gain $548. What is each man's share of the gain?

Ans. { A's share, $192. / B's " 216. / C's " 140.

2. C and D engage in trade. C puts in $600 at first and $400 at the end of three months; D put in $500 at first and $600 at the end of two months. The profit at the end of a year is $456. How should this be divided? Ans. C's share is $216; D's, $240.

3. A, B, and C hired a pasture for 6 months for $245. A put in 40 sheep; B, 50 sheep; C, 80 sheep. At the end of 3 months A put 20 more; at the close of 4 months B took out 20; and at the close of 5 months C took out 60. How much ought each to pay?

Ans. A, $75; B, 65; C, $105.

4. A, B, and C, enter into partnership for 4 years, each putting in $5,000 as capital. At the end of 2 years A took out $1,000, B $2,000, and C $3,000, and at the end of the fourth year they closed the business with a loss of $3,600. What was the loss of each?

Ans. A's, $1,350; B's, $1,200; C's, $1,050.

PRACTICAL RULES FOR FARMERS.

TO MEASURE GRAIN IN A BIN.

Rule.—Level the grain; multiply the length in feet by the breadth in feet, and this by the height in feet. Then multiply this product by 8, and point off one place to the left.

Ex.—How many bushels of wheat in a bin 10 ft. long, 4 ft. wide, and 6 ft. deep? Ans. 192 bus.

To find the number of gallons the bin holds, multiply the number of bushels by 8.

TO MEASURE CORN IN A CRIB.

Find the number of bushels of corn (in the ear) by the preceding rule, and divide the answer by 2 to find the number of bushels of shelled corn, because it requires two bushels of ear corn to make one of shelled corn.

Ex.—Find the number of bushels of shelled corn in a crib 15 ft. long, 5 ft. wide, and 10 ft. high. Ans. 300 bus.

TO MEASURE HAY IN A MOW OR STACK.

The only accurate mode of estimating hay is by weight, but for ordinary purposes the following rules will be of use to farmers :

TO FIND THE NUMBER OF TONS OF HAY IN A MOW.

Rule.—Multiply the length in yards by the height in yards, and that by the width in yards, and divide the product by 15 ; the quotient will be the number of tons.

Ex.—How many tons of hay in a mow 10 yards long, 5 yards wide and 9 yards high ? Ans. 30 tons.

TO FIND THE NUMBER OF TONS IN SQUARE STACKS.

Rule.—Multiply the length in yards by the width in yards, and this by half the height in yards, and divide the product by 15.

TO FIND THE NUMBER OF TONS IN CIRCULAR STACKS.

Rule.—Find the area of the base in square yards, then multiply the area of the base by half the height of the stack in yards and divide the product by 15.

TO FIND THE VALUE OF A LOAD OF HAY AT A GIVEN PRICE PER TON OF 2,000 lbs.

Rule.—Multiply the number of pounds of hay by half the price per ton, and point off three figures from the right hand. The remaining figures will be the price of the hay (coal or any other article by the ton).

Ex.—What will be the value of 1,725 lbs. of hay at $14 per ton ?

SOLUTION—The half of $14 is $7.

$1725 \times 7 = \$12.075$. *Ans.*

MEASURING LUMBER.

Rule.—Multiply the length of the board in feet by the width in inches and divide by 12.

Ex.—How many square feet in a board 21 feet long and 18 inches wide?

SOLUTION—$21 \times 18 \div 12 = 31\frac{1}{2}$ sq. ft. *Ans.*

TO FIND THE CONTENTS (BOARD MEASURE) OF JOISTS, SCANTLING OR PLANK, MORE THAN ONE INCH THICK.

RULE—Multiply the width in inches by the thickness in inches and this by the length in feet and divide by 12.

Ex.—What is the board measure of a plank 18 feet long, 10 inches wide and 4 inches thick?

SOLUTION—$\frac{18 \times 10 \times 4}{12} = 60$ ft. *Ans.*

TO FIND THE VALUE OF A GIVEN NUMBER OF FEET OF LUMBER AT A GIVEN PRICE PER THOUSAND.

Rule—Multiply the number of feet by the price per thousand and point off three figures from the right-hand.

Ex.—What will 719 feet of lumber cost at $8 per thousand?

SOLUTION—$\frac{719 \times 8}{} = \$5.752$ *Ans.*

Ex. I.—What will it cost to put a floor in a room 20 feet long, 18 feet wide, with plank one and a half inches thick, worth $12 per thousand (board measure.) Ans. $6.48.

Ex. II.—How many feet of lumber in 14 planks, 16 feet long, 18 inches wide and 4 inches thirck. Ans. 1,344 feet.

TO FIND THE NUMBER OF COMMON BRICKS IN A WALL.

Rule.—Multiply the length of the wall in feet by the height in feet and that by its thickness in feet, and that again by 20, and the product will be the number of bricks in the wall.

Ex.—How many common bricks in a wall 40 feet long, 20 feet high and 12 inches thick?

SOLUTION—40 ft. length, $\times$ 20 ft. height, $\times$ 1 ft. thick, $\times 20 = 16{,}000$ *Ans.*

LATHS.

Laths are usually 4 feet long, 1½ inches wide and ¼ inch thick.
One thousand laths set ¼ inch apart should cover 55 square yards.

SHINGLES.

Shingles are usually 18 inches long and, on an average, 4 inches wide.

One thousand shingles laid 4 inches to the weather should cover 100 square feet; laid 4½ inches to the weather, 120 square feet, and laid 5 inches to the weather, 133 square feet.

Ex.—How many shingles for a roof 60 feet long, rafters 20 feet (two sides,) shingles laid 4½ inches to the weather.

SOLUTION—$\frac{60 \times 20 \times 2}{120}$ *Ans.* 20 thousand shingles.

MEASURING LAND—TO FIND THE NUMBER OF ACRES IN A FIELD WITH SQUARE CORNERS.

Rule—Multiply the length by the breadth, and divide the product by 160 if the measurement is made in rods; by 4,840 if made in yards, or by 43,560 if made in feet.

When the length of two opposite sides is unequal, add them together, take half the sum and multiply by the breadth, then divide the product as above.

TO FIND THE NUMBER OF ACRES IN ANY 3-SIDED FIGURE.

Rule.—Multiply the longest side by one half the distance from this side to the opposite angle and divide the product as above.

JULY EXAMINATIONS, 1885.

THIRD AND SECOND CLASS TEACHERS.

BOOK-KEEPING.

Examiner.—CORNELIUS DONOVAN, M. A.

Values	
10	1. What is meant by: Assets? Bonded Goods? Debenture? Good Will? Lien? Mortgage? Power of Attorney? Staple Goods? Usury? Voucher?
12 7+5	2 (*a*) Briefly state the essential requisites of a promissory Note. (*b*) Brown gives Black his note at 4 mos. from to-day for $150, negotiable and payable at Bank. Write the note, dating it from Toronto.
20	3. Journalize: (*a*) Commenced business with cash $1,000, merchandise $1,000, notes against sundry persons $500. (*b*) Bought of John Jones for cash, tallow worth $160, and immediately sold it for $140. (*c*) The Dominion Bank has discounted my note against Harris for $1,000; discount $17.50, cash received $982.50. (*d*) Sold my house and lot to Green for $2,500. Received in payment cash $1,000, merchandise $500; balance to remain on account. (*e*) Consigned to Henry & Co., Montreal, goods to be sold on my account, invoiced $645. Paid freight on same in cash $36.50, and gave my note for insurance of do. $19.35.
6	4. Classify the foregoing accounts according as they are "Resources and Liabilities," or "Losses and Gains."
18	5. Post all the items in No. 3.
9	6. State the object, and briefly describe the process, of closing the Ledger.

* EXAMINATIONS, * 1886. *

SECOND CLASS TEACHERS.

PRÉCIS WRITING AND INDEXING.

Examiner—CORNELIUS DONOVAN, M. A.

Values	
10	1. Give the sense of the following passage in as few words as possible :

That it is hard to brave a laugh,—this is not disputed. That there is a power in sarcasm which may make the condition of the Christian a condition of persecution,—this is not disputed. But when the battery of jest and contempt that is brought to bear on him makes him shrink ashamed of his profession, we cannot accept the difficulty of the encounter as an apology for his defeat. We really want terms in which to express our sense of the weakness and infatuation of men who, quite aware that they have right on their side, and thoroughly persuaded that reason gives an unreserved verdict in their favor, are nevertheless abashed and overcome by the ridicule of some thoughtless jester, whose intellect they probably hold cheap, and whose good opinion they consider valueless.

25 2. Write a Précis of the following document :

OFFICE OF THE PROVINCIAL BOARD OF HEALTH,
TORONTO, July 17th, 1882.

DEAR DOCTOR,—You may have observed that the Provincial Board of Health, in common with many Boards in the United States, has decided upon publishing a Weekly Report of disease prevailing in the different parts of the Province, noting, at the same time, the accompanying meteorological and other conditions.

In order to make such reports of any real value in investigating the causes of disease, it will be necessary for the Board to appoint, in various localities, correspondents whose weekly returns may enable it to deduce practical conclusions therefrom.

Values

To this end the Board has addressed this letter to a number of medical practitioners throughout the Province, and it requests you to consider whether you will accept the position of correspondent to the Board from your district.

Leaving out of view the bearing of the proposed work upon the question of Sanitary Science, and looking at it from a purely professional standpoint, the investigations to be made as to the cause and nature of disease will be as important to medical practitioners as many others in which they are engaged and to which they gladly devote more time. The filling up of the blank forms will require only a few minutes each week; and should you be willing to devote that time to it, be kind enough to inform the Secretary at once, so that there may be sent to you stamped forms similar to the one enclosed, and a blotter for your convenience and subsequent reference. Should you decide that you cannot do so, you will confer a favour by informing the Board of some medical practitioner in your locality who, in your opinion, would be willing to undertake the work.

The reports and remarks of correspondents will be treated as confidential, a general average of all the reports being published, and the board exercising discretion in mentioning the names of particular localities.

Although this work, like that of the Meteorological Reporters in Ontario and of the Disease Reporters in many States of the Union, is done gratuitiously, yet this Board trusts that the measure of good accruing from this scheme will be such as to encourage it to expect, in the near future, greater pecuniary facilities for making the reports, and the results to be obtained therefrom more nearly perfect.

Trusting that you may find it convenient to co-operate with the Board in this matter,

I have the honor to be, Sir,

Your obedient servant,

P. H. Bryce,

Secretary.

10 3. Show how you would index the contents of the foregoing document.

5+5+5 4. Give specimens of your method of indexing (*a*) outgoing letters, (*b*) letters received, and (*c*) bills or accounts, so that you could make prompt reference to any particular document.

MERCANTILE TERMS.

ACCEPTANCE.—A receiving so as to bind the acceptor to payment. 2. A Draft accepted.

AD VALOREM.—According to value; percentage on invoice price.

APPRAISE.—To estimate the value of goods or property.

ASSETS.—Resources; property in possession or money due.

ASSIGNMENT.—The transfer of property to Assignees.

BALANCE OF TRADE.—The difference between the value of the Exports and Imports of a country.

BANKRUPT.—One who is unable to pay his debts.

BONA FIDE.—In good faith.

BLANK CREDIT.—Privilege of one house to draw upon another to a specified amount.

BONDED GOODS.—Those held in the (bonded) warehouse for payment of duties.

CHARTER.—A formal writing conferring a right or privilege.

CODICIL.—Supplement to a will.

COUNTERSIGN.—To sign as Secretary or subordinate officer.

COUPON.—An interest certificate attached to a bond.

DEBENTURE.—A bond on which municipalities borrow money.

DIVIDEND.—The portion of a stockholder, when profits are divided.

DUPLICATE.—A copy or transcript of anything.

EMBARGO.—Prohibition of vesels from sailing.

EMBEZZLEMENT.—Unlawful appropriation.

EXECUTOR.—One who settles the estate of a Testator.

FORECLOSE.—To cut off the power of redemption under a mortgage.

GOOD WILL.—Bonus paid for a business.

HYPOTHECATE.—To pledge as security.

IMPOST.—Duty on goods paid by the importer.

INDEMNIFY.—To recompense for loss or injury.

LETTER OF CREDIT.—A letter authorizing one person to receive money on the credit of another.

LIEN.—A legal claim on property to satisfy debt.

LIQUIDATE.—To pay off debts; settle accounts.

MATURITY.—The date when a bill falls due.

MORTGAGE.—A written pledge of property for the payment of a debt.

PAROL.—Not written, especially not under seal.

PROTEST.—A formal declaration, by a Notary Public, that a bill was not accepted when presented, or was not paid when due.

POWER OF ATTORNEY.—Authority given to a person to act for another.

REBATE.—Abatement in price; deduction for prompt payment.

SOLVENCY.—Ability to pay all debts.

STIPEND.—Pay for services; fixed salary.

SURETY.—A bondsman; security against loss.

TARIFF.—A list of duties on imports and exports.

USURY.—Illegal interest; formerly any consideration for the use of money.

VALID.—Of binding force; effectual, strong.

VOUCHER.—A document that confirms anything, especially the truth of accounts; a receipt.

APPENDIX.

PRÉCIS-WRITING

—AND—

INDEXING.

PRÉCIS-WRITING AND INDEXING.

INTRODUCTORY.

The purpose of the following pages is to lay before the reader clearly and concisely the objects and benefits of Précis-Writing and Indexing, together with the simplest methods of acquiring proficiency therein.

The first thing a student should do is clearly to distinguish between a Précis and an Index. A Précis is a form of composition briefly expressing the precise import of a portion of discourse. An Index, or Schedule, of correspondence is the arrangement of letters in regular order, specifying their dates, the names of the correspondents, and giving a very brief indication of the substance of each letter.

The object of the Memorandum, or Précis, which should be in the form of a narrative, is that any one who had not time to read the original might, by reading the Précis, be put in possession of the leading features of what passed.

In every case where an Index or Précis is made, as great an abridgement of the given language should be aimed at as the required sense will bear.

We shall therefore endeavor to present the chief aspects under which the ordinary forms of composition appear capable of abridgment.

CHAP. I.

Abridgment of Phrases.

A Preposition Phrase is one that is made up of a preposition and its object. Its meaning may often be expressed by an adverb, an adjective or a possessive case.

Example 1.—He did his work in a neat manner.

Here the preposition phrase, *in a neat manner*, has the meaning of the adverb *neatly*. Hence the given example when abbreviated becomes—

He did his work neatly.

Ex. II.—At what time and in what place shall I meet you.

The phrase *at what time* being equivalent to the adverb *when*, and the phrase *in what place* to the adverb *where*, the given example by abridgment becomes—

When and where shall I meet you.

Ex. III.—The King of England ruled in a wise manner.

Here the phrase *of England* is equivalent to the adjective *English*, and the phrase *in a wise manner* may be expressed by the adverb *wisely*. Hence the example may be written—

The English King ruled wisely.

Ex. IV.—The Works of Shakespeare are read by everybody.

The possessive form, *Shakespeare's works*, may be substituted for *the works of Shakespeare*, and the idea of the prepositional phrase *by everybody* may here be conveyed by the adverb *universally*. Hence the example will read—

Shakespeare's Works are universally read.

Sometimes a verb alone will be found sufficient to express the meaning of a verb and some accessory expression.

Ex. I.—He was the leader of our choir.

The meaning of this sentence may often be expressed thus—

He led our choir.

Ex. II.—The enemy at that moment took flight.

Here the phrase *at that moment* may be replaced by the adverb *then*, and the expression *took flight* by *fled*. The example will now read—

The enemy then fled.

Ex. III.—The cost of the building must not be more than $1,200.

The idea contained in the words *be more than* can be expressed by the verb *exceed*. Hence the sentence will read—

The cost of the building must not exceed $1,200.

Ex. IV.—He delayed from time to time until his vacation came to an end.

Delayed, when modified by the phrase *from time to time*, signifies *procrastinated*, and the phrase *came to an end* is equivalent to *ended*. Hence we read—

He procrastinated until his vacation ended.

EXERCISES (A).

1. I have not come to any conclusion in the matter.

2. By pursuing such a course as this you will in a very short time be able to determine.

3. The decision of the learned judge was of greater importance at that time than it would be in the present age.

4. Did you see in what way he did it.

5. In a short time after he came back to his home.

6. Not wishing to remain in this place he went over to the other side of the river.

7. We cannot at this time assign any reason for the fact that he is absent.

8. We were told that the poet Milton was born in the vicinity of this town.

9. I was revolving in my mind the best plan to get out of the way of my adversary.

CHAP. II.

Abridgment of Complex Sentences.

A Complex Sentence is one which, besides a principal subject and predicate, contains one or more subordinate sentences, which depend for their full meaning on the principal one. These Subordinate sentences are of three kinds—

(1) The Noun Sentence, which does the duty of a Noun.
(2) The Adjectival Sentence, which does the duty of an Adjective.
(3) The Adverbial Sentence, which does the duty of an Adverb.

A Complex Sentence will sometimes admit of condensation by fusing, as it were, two sentences into one.

In the following examples the portions italicised are *noun clauses:*

Ex. I.—*Whether he will recover* is uncertain =
His recovery is uncertain.

Ex. II.—I do not know *what the result has been* =
I do not know the result.

The words of the *adjective clauses* are italicised in the following examples:

Ex. I.—Men *who are honest and industrious* are nobler than men *who are wealthy* =

Honest and industrious men are nobler than wealthy men.

Ex. II.—They have found the child *which was lost* =
They have found the lost child.

Ex. III.—They found the place *in which he hid himself* =
They found his hiding-place.

In the following examples the *adverbial clauses* are printed in italics:

Ex. I.—I shall remain *where I am.*

The clause *where I am* has the force of the adverb *here.* Hence the example may be written—

I shall remain here.

Ex. II.—The Pharisees did all their religious works *that they might be seen of men.*

The idea conveyed by the clause, *that they might be seen of men*, may be expressed by the adverb *ostentatiously*, and the example will then read—

The Pharisees did all their religious works ostentatiously.

The meaning of an adverbial clause may sometimes be expressed by a preposition phrase.

Ex. I.—Because he was wealthy, people respected him.

Here the adverbial clause, *because he was wealthy*, may be expressed by the phrase *for his wealth*, and the example will then read—

For his wealth, people respected him.

Sometimes when we change the character of a subordinate clause it becomes necessary to change the form of the clause modified or described, as in the following examples:

Ex. I.—I stayed at home because I was ill =
Illness kept me at home.

Here, having substituted the noun *illness* for the adverbial clause *because I was ill*, it becomes necessary to use the words *kept me*, instead of *I stayed*, in the principal clause.

Ex. II.—Where is the author who is more famous? =
What author is more famous?

Here the force of the relative pronoun *who*, and the interrogative part of the first clause, is expressed by the pronominal adjective *what*, and the adjective sentence, *who is more famous*, becomes the principal one.

EXERCISES (B).

1. What is the reason he did not come back at the time agreed upon?
2. He has promised to use his influence in my behalf, which is very kind of him.
3. He has made up his mind to make the attempt, but whether he will succeed is uncertain.
4. The fact that he was guilty has been established, so that it is unnecessary to bring forward any further proof.
5. I was obliged to stop because I had not suffiicient money to enable me to proceed on my journey.
6. Will you inform me to what useful purpose that principle can be applied?
7. A doubt still remained in my mind whether it was possible for him to recover.
8. I am unable to tell you the reason for which he was punished.
9. Mr. Wilson dismissed the man who was working for him.
10. Where is the monarch who dares to invade our land?

CHAP. III.

Abridgment by the Removal of Periphrases, Tautology, Pleonasm, Verbosity, etc.

Periphrasis is a round-about form of expression.

Ex. I.—The moon is shedding her light around, =
The moon is shining.

Ex. II.—The science which treats of language, and the science which describes the earth and its inhabitants, are branches frequently studied, =
Grammar and Geography are branches frequently studied.

Tautology is a repetition of the same meaning in different words.

Ex. I.—They returned back again to the same city from whence they came forth.

Here the word *return* implies to *turn back; the city* implies the *same city*, and *from* and *forth* are both included in the word *whence*. Hence the sentence should read—

They returned to the city whence they came.

Ex. II.—It is clear and obvious that religious worship and adoration should be regarded with pleasure by all men.

In this sentence *clear* and *obvious* are words of similar meaning; also the words *worship* and *adoration*. Hence the sentence may read—

It is clear that religious worship should be regarded with pleasure by all men.

Pleonasm is the use of superfluous words. Although the words do not, as in Tautology, repeat the sense, they add nothing to it. They simply enforce the idea.

Ex. I.—I saw it with my own eyes.

Here the pleonasm consists in the addition of the expression *with my own eyes*.

Ex. II.—I know thee who thou art.

In this sentence *I know thee* expresses the whole meaning. *Who thou art* repeats the idea to impress it more strongly.

Verbosity is the use of superfluous words, but, unlike Pleonasm, these words have a meaning. They may, however, be omitted, because the meaning is not important. Another difference is that in a pleonasm the correction may be made by simply omitting the superfluous words, but in a verbose sentence it will be necessary to alter as well as omit.

Ex. I.—A severe and tyrannical exercise of power must become a matter of necessary policy with kings when their subjects are imbued with such principles as justify and authorize rebellion.

The sense of the above may be much better expressed in fewer words, thus—

Kings will be tyrants from policy when subjects are rebels from principle.

Redundancy is another term relating to superfluity in the words and members of a sentence. Pleonasm and Verbosity relate principally to the words in a sentence, but Redundancy relates to the members as well.

Ex.—The very first discovery of it strikes the mind with inward joy *and spreads delight through all its faculties.*

In this example the second member of the sentence adds nothing to what was expressed in the first, and therefore may be omitted.

EXERCISES (C).

1. He was a man of fine reputation and enjoyed a high degree of popularity.
2. He appears to enjoy the universal esteem of all men.
3. The brilliancy of the sun dazzles our eyes and overpowers them with light.
4. He led a blameless and irreproachable life.
5. The author of the Waverly Novels was a man of remarkable industry.
6. There can be no regularity or order in the life and conduct of a man who does not give and allot a due share of time to retirement and reflection.
7. The officer treated his inferiors with great haughtiness and disdain.
8. My banks they are furnished with bees.
9. The magistrate questioned the prisoner minutely and examined him at length.
10. His cheerful, happy temper, remote from discontent, keeps up a kind of daylight in his mind, excludes every gloomy prospect, and fills it with a steady and perpetual serenity.

CHAP. IV.

Removal of Ornament.

When the language is figurative the sense may often be expressed in a condensed form, sacrificing thereby the sentimental force and beauty of the original, but answering the purpose of commercial convenience.

Ex. I.—But yonder comes the powerful King of Day, rejoicing in the east.

When the above is divested of its ornamental dress the plain meaning may be written thus:

The sun rises.

Ex. II.—*Ornamental.*—The clouds now drop their garnered fullness down.

Plain.—It is raining.

Ex. III.—*Ornamental.*—With equal pace impartial Fate knocks at the palace and the cottage gate.

Plain.—All men are alike subject to death.

Ex. IV.—He had hardly left the house when a living avalanche of mounted Cossacks rushed across the path on which he had entered.

The assertion that he *had hardly left* the house means simply that he had just left it; *a living avalanche* describes a rushing horde; the rushing of mounted Cossacks may be expressed by saying that they galloped across the path; and the descriptive clause, *on which he had entered*, may be exchanged for *his*. The example will then read:

Just as he left the house a horde of Cossacks galloped across his path.

EXERCISES (D).

1. The giant trees leaned back from the encountering blast.

2. The meadows are clothed in their robes of green.

3. I have been taking a survey of your locality, and am actuated by ardent wishes to have my residence in the midst of scenery so enchanting.

4. His charmed numbers flow on like the free current of a melodious stream whose associations are with the sunbeams and the shadows, the leafy boughs, the song of the forest birds, the dew upon the flowery bank, and all things sweet and genial and delightful.

5. The snowdrop foremost of the lovely train breaks her way through the frozen soil in order to present her early compliments to her lord. Dressed in the robe of innocency, she steps forth, fearless of danger, long before the trees have ventured to unfold their leaves. Nor is the violet last in this shining embassy of the year, which, with all the embellishments that would grace a royal garden, condescends to line our hedges and grow at the feet of briers.

CHAP. V.

Omission of the Less Important Ideas.

In the preceding chapters we have illustrated the various ways in which the length of phrases and the number of clauses may be diminished. We now proceed to that species of abridgment which is characterized by the omission of the less important ideas of the passage.

This process may be carried to such an extent as will reduce the original to a mere index or brief summary. We intend here to exemplify what is ordinarily aimed at in an abridgment professing to retain the substance, or more important material, of a passage in a connected and readable form.

Ex.—It was cheering to note, however, that among the masses of the people a general increase of knowledge began to manifest itself. This was partly brought about by the introduction of printing by William Caxton, about the middle of the fifteenth century.

Here the principal idea conveyed is that the introduction of the art of printing prepared the way for the diffusion of knowledge among the masses. The sentence, *it is cheering to note*, may be considered as introductory, and the fact that printing was introduced by Caxton, and

the time of its introduction, may be regarded as familiar to everybody. Without reference to these, we may abridge the example thus:

The diffusion of knowledge was greatly facilitated by the introduction of printing.

Ex. II.—When diversion becomes the business of life its nature is changed. All rest presupposes labor, and it may be observed that there is not a more miserable or worthless being than a young person of fortune who has nothing to do but find some new way of doing nothing.

In making an abstract of this it will not be necessary to state anything but the simple fact that—

All men must have occupation or be miserable.

A Memorandum, or Précis, is often required for passages of much greater length than the examples just given. The following example will afford better scope for exercise:

Ex. III.—It is generally taken for granted by most young people that diversion is the principal object of life, and this opinion is often carried to such an excess that pleasure seems to be the great ruling principle which directs all their thoughts, words and actions, and which makes all the serious duties of life heavy and disgusting. This opinion, however, is no less absurd than unhappy, as may be shown by taking the other side of the question, and proving that there is no pleasure and enjoyment of life without labor. The words commonly used to signify diversion are three, viz., *relaxation*, *amusement* and *recreation*, and the precise meaning of these words may lead us to very useful instruction. The idea of relaxation is taken from a bow, which must be *unbent* when it is not wanted to be used, that its elasticity may be preserved. Amusement literally means an occasional forsaking of the *Muses*, or the laying aside of our books when we are weary with study; and recreation is the refreshing or re-creating of our spirits when they are exhausted with labor, that they may be ready in due time to resume it again. From these considerations it follows that the idle man who has no work can have no play. For how can he be relaxed who is never bent? How can he leave the Muses who is never with them? How can play refresh him who is never exhausted with business?

In making a Précis of the above extract we should read the whole of it through carefully, and indicate the important points thus:

1. Most young persons regard diversion as the principal object of life.
2. This view unfits them for the duties of life.
3. That this view is erroneous is proven by the derivation of the words used to signify diversion.
4. The inference is that the man who has no labor can have no diversion.

Hence the abstract may be written thus:

It is a common error among young people to suppose that the principal object of life should be diversion, and many become so devoted to the pursuit of pleasure, as to unfit them for the duties of life. The absurdity of this view is shown by proving that there can be no pleasure without labor. The precise meaning of the words used to signify diversion—amusement, relaxation and recreation—is turning away from and pre-supposes labor. Hence, if there be no labor there can be no diversion.

EXERCISES (E).

1. Alfred, reduced to extremity by the Danes, who were spreading devastation over all England, was obliged to relinquish the ensigns of his dignity, to dismiss his servants, and to seek shelter in the meanest disguises from the pursuit and fury of his enemies.

2. Tho study of the animal kingdom forms an extensive and interesting department of knowledge which is intimately connected with the most common necessities and enjoyments of the human species.

3. While we consider riches as the means to be used at some future time for the attainment of felicity, ardour after them secures us from weariness of ourselves, but no sooner do we sit down to enjoy our acquisitions than we find them insufficient to fill up the vacuities of life.

4. The fame of his discovery had resounded throughout the nation, and as the route of Columbus lay through some of the finest and most populous provinces of Spain, his journey appeared like the progress of a sovereign. Wherever he passed, the surrounding country poured forth its inhabitants, who lined the roads and thronged the villages. In the large towns the streets, windows and balconies were filled with eager spectators, who rent the air with acclamations. His jonrney was continually impeded by the multitude pressing to gain a sight of him and of the Indians, who were regarded with as much admiration as if they had been natives of another planet.

CHAP. VI.

Precis of Official Correspondence.

The heads of large departments have not time to read through the correspondence with the office over which they preside. Hence clerks are employed to make a Précis of each series of letters relating to official business.

The merits of such a Précis are:

I. To contain all that is important in the correspondence, and nothing that is unimportant.

II. To present this in the form of a continuous narrative, expressed as briefly and distinctly as possible.

We now proceed to exemplify this. Required—a précis of the following correspondence between the Office of Public Works and Mr. E. M. Barry, relative to the new roof of the House of Commons:

(1) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, S.W.,
29 April 1865.

Sir,—In accordance with the instructions of the First Commissioner of Her Majesty's Works, &c., I have communicated with Dr. Percy, and have carefully examined with him the roof over the House of Commons, to ascertain whether the wooden fittings placed in the roof are secure from risk of fire.

The roof of the House of Commons is wholly constructed of incombustible materials, and the question of danger can therefore only apply to the wooden fittings which have been placed in the roof since its completion by those entrusted with the ventilation and lighting of the House, without any architectural

supervision. The fittings consist of handrails, bridges, partitions, steps, and air tubes; and, as the temperature of the roof is very high in consequence of the mode adopted for lighting the House, there is no doubt that the whole of the fittings are in a state highly favorable for ignition in the event of any accidental circumstances taking place. The same remark applies to the ribs of the ceiling of the House which are in close proximity to the gas lights.

I advise that the whole of the fittings be removed and replaced (as far as they are required for use by Dr. Percy) by others of incombustible materials; and I also recommend that the edges and exposed surfaces of the upper parts of the ribs of the ceiling should be protected by a metal covering.—I am, &c.,

Alfred Austin, Esq. (signed) EDWARD M. BARRY.

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(2) *Mr. Alfred Austin to Mr. E. M. Barry.*

Office of Works, &c., 3 May, 1865.

SIR,—The First Commissioner of Her Majesty's Works, &c., has had before him your letter of the 29th ultimo, respecting the risk of fire to the wooden fittings in the roof over the House of Commons, and recommending that the whole of the fittings should be removed and replaced (as far as they are required for use by Dr. Percy) by others of incombustible materials, and also that the edges and exposed surfaces of the upper parts of the ceiling of the House of Commons should be protected by a metal covering; and I am directed by him to request that you will put yourself into communication with Dr. Percy as to the fittings that will be required in future, and furnish the First Commissioner with an estimate of the cost of the works recommended by you.—I am, &c.,

E. M. Barry, Esq. (signed) ALFRED AUSTIN, Secretary.

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(3) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, 29 May, 1865.

SIR,—In accordance with your letter of the 3rd instant, I have to report that I have placed myself in communication with Dr. Percy, and obtained information from him as to the fittings that will be required for the future in the roof of the House of Commons for the effectual ventilation of the House without risk of fire.

The roof is at present encumbered by fittings placed there to carry out modes of ventilation long since abandoned, and their removal or modification will enable Dr. Percy to carry out several important improvements in the method of ventilation at present in use. The changes and improvements which I recommend, including an alteration of the gas burners under the galleries, which Dr. Percy states are now much complained of, are described in the specification which I enclose herewith for the information of the First Commissioner of Her Majesty's Works, &c., and Ie stimate the cost of carrying them into effect at £1,540, and consider that a period of five months will be necessary for their execution.—I am, &c.

Alfred Austin, Esq. (signed) EDWARD M. BARRY.

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(4) *Mr. Alfred Austin to Mr. E. M. Barry.*

Office of Works, &c., 10 August, 1865.

SIR,—With reference to your letter of the 29th May last, respecting the fittings required for the future in the roof of the House of Commons, for the effectual ventilation of the House, without risk of fire, I am directed by the First Commissioner of Her Majesty's Works, &c., to request that you will procure an estimate for the work upon which the board may rely, and submit the same to them as soon as possible.—I am, &c.,

E. M. Barry, Esq. (signed) ALFRED AUSTIN, Secretary.

(5) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, S.W., 14 August, 1865.

SIR,—In reply to your letter of the 10th inst., referring to the work proposed to be done in the roof of the House of Commons, and requesting me to procure an estimate for the same on which the Board can rely, I have the honor to enclose a tender from Mr. John Imray, engineer, for carrying out the work according to the specification forwarded to you in my letter of the 29th May last, for the sum £1,400. Mr. Imray is a very competent engineer, and, from his former connection with the late Dr. Reid, is conversant with the general character of ventilation arrangements, and with those of the New Palace at Westminster in particlar.

I should therefore recommend the acceptance of Mr. Imray's tender, which is £140 less than any estimate, as stated in my letter of the 29th May.—I am, &c.

A. Austin, Esq. (signed) EDWARD M. BARRY.

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(6) *Mr. Alfred Austin to Mr. E. M. Barry.*

Office of Works, &c., 16 August, 1865.

SIR,—I am directed by the First Commissioner of Her Majesty's Works, &c., to acknowledge the receipt of your letter of the 14th instant, enclosing one addressed to you by Mr. Imray, offering to execute the works proposed to be done in the roof of the House of Commons within four months, for the sum of £1,400, of which offer you recommend the acceptance; and I am to inform you that the Board have this day written to Mr. Imray, informing him that upon his signing the specification and plans (if any) they will accept his tender. In signing the specification, &c., it should be stated that they are those referred to in this tender.

The First Commissioner is anxious that the work should be proceeded with immediately, and completed within four months.—I am, &c.,

E. M. Barry, Esq. (signed) ALFRED AUSTIN, Secretary.

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(7) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, 17 August, 1865.

SIR,—I have to acknowledge the receipt of your letter of the 16th instant, informing me that the First Commissioner of Her Majesty's Works has accepted Mr. Imray's tender to execute the works proposed to be done in the roof of the House of Commons for £1,400. I shall feel obliged if you will send me the specification which was contained in my letter of 29th May, 1865, in order that I may obtain Mr. Imray's signature to the same, and return it to you. Owing to the peculiar nature of the works, and the necessity for constant supervision during their progress, I consider it will be necessary to secure the services of a clerk of works, who shall devote his whole time to the work; and I have therefore to request the authority of the First Commissioner to engage a clerk of works for that purpose, at a salary not exceeding three guineas a week.—I am, &c.,

Alfred Austin, Esq. (signed) EDWARD M. BARRY.

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(8) *Mr. Alfred Austin to Mr. E. M. Barry.*

Office of Works, &c., 18 August, 1865.

SIR,—In compliance with the request made in your letter of yesterday's date, I am directed by the First Commissioner of Her Majesty's Works, &c., to return to you herewith the specification of works in the roof of the House of Commons, which accompanied your letter of the 29th May last.

I am also to authorize you to engage a clerk of works to superintend the works under you at a salary not exceeding £3 3s. per week, as recommended by you.—I am, &c.,

E. M. Barry, Esq. (signed) ALFRED AUSTIN, Sec.

(9) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, 22 August, 1885.

SIR,—I herewith return to you the specification of works in the roof of the House of Commons, which has been signed by Mr. Imray. I have directed Mr. Imray to proceed at once with the works, and have appointed Mr. J. Pullin, the clerk of works, at a salary of £3 3s. per week, from Monday, the 28th instant.

I am, &c.

Alfred Austin, Esq. (signed) EDWARD M. BARRY.

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(10) *Mr. E. M. Barry to Mr. Alfred Austin.*

21, Abingdon-street, 23 December, 1865.

SIR,—I have to report to the First Commissioner of Her Majesty's Works, &c., the completion of the works in the roof of the House of Commons ordered by your letter of the 16th August, 1865, to be done for a sum of £1,400.

I made a final inspection of the works on Wednesday last, when Dr. Percy, by my invitation, accompanied me, and I am authorized to say that he is quite satisfied with all that has been done, and agrees with me in thinking that the improvements that have been made in the various air-channels and ventilating arrangements will have a beneficial effect on the general character of the ventilation of the House of Commons. I enclose Mr. Imray's account for £1,400, on which there are no extras, and my certificate for payment of the same. I also forward the account of Mr. Pullin, the clerk of works, and a memorandum of my professional charge in respect of the work.—I am, &c.

Alfred Austin, Esq. (signed) EDWARD M. BARRY.

The student is recommended to read the whole correspondence through carefully before commencing to write, as the excellence of the Précis will depend very much on a correct appreciation of the relative importance of the different parts.

When a Précis is required for a long extract or series of letters the student should, on the first perusal, indicate the points of importance thus :

No. 1. The fittings of the roof of the House of Commons are of an inflam- [illegible] nature. They should be removed.

No. [illegible] ommissioner of Public Works requests an estimate of the cost [illegible] changes recommended.

Explains fully the proposed alterations and furnishes an estimate of the expense:

No. 4. Asking for a reliable estimate.

No. 5. Encloses Mr. Imray's tender and recommends its acceptance.

No. 6. States that Mr. Imray's offer has been accepted.

No. 7. Requests the return of specifications, and asks the authority to engage a clerk of works.

No. 8. Complies with above requests.

No. 9. Encloses specification signed by Mr. Imray and states that Mr. J. Pullin has been appointed clerk of works.

No. 10. Reports the completion of the work and encloses the accounts of the expenses incurred.

Hence the Précis may take the following form :

PRÉCIS.

Mr. Barry reported to Mr. Austin that he had examined the roof of the House of Commons, and recommended that incombustible fittings be substituted for those in use at present. Mr. Barry was requested to consult Dr. Percy regarding the proposed alterations, and to furnish an estimate of the cost. Having consulted Dr. Percy, Mr. Barry estimated the cost at £1,400 and enclosed a specification of the works required. The Board of Works asked for a reliable estimate, and Mr. Barry sent them a tender from Mr. Imray offering to execute the works in four months for £1,400. The Board accepted this tender, and authorized Mr. Barry to engage a clerk of works. Mr. Imray signed the specifications and proceeded with the work under Mr. Barry's superintendence. Four months later Mr. Barry reported the completion of the works and submitted the accounts.

INDEXING.

The object of an Abstract, or Schedule of Correspondence, is to serve as an Index. It should, therefore, contain the date of each letter, the names of the persons by whom and to whom it is written: and in as few words as possible the substance of it.

The merits of such an abstract are to give the really important points of each letter, omitting everything else; to do this briefly, distinctly, and in such a form as readily to catch the eye.

When both an Index and a Précis are to be written, the Index may be much more brief than it would be if an Index only were required.

Skill in Indexing and Précis-Writing is very important in general office work, and in almost every department of the civil service, and students should bear in mind that as these subjects require the exercise of judgment and discretion, they are regarded as the best tests of general intelligence.

We would advise the student to read through the whole correspondence before commencing a Précis, but an Index of letters may be made on the first perusal. When both an Index and Précis are required, the Index should be made first, and will be valuable as a reference in the more difficult exercises of writing a Précis.

In order that the student may more fully appreciate the general style of indexing, we give below form of Index for the preceding correspondence—

SCHEDULE OR INDEX.

No.	*Date.*	*From and to Whom*	*Substance of Communication.*
1	1865 29th April	Mr. E. M. Barry to Mr. A. Austin.	Referring to the imflammable nature of the fittings of the roof of the House of Commons, and suggesting their removal.
2	3rd May	Mr. A. Austin to Mr. E. M. Barry.	Directing him to consult Dr. Percy and to forward an estimate of the proposed alterations.
3	29th May	Mr. E. M. Barry to Mr. A. Austin.	Enclosing specification of the works required and furnishing an estimate of the expense.
4	10th Aug.	Mr. A. Austin to Mr. E. M. Barry.	Asking for a reliable estimate.
5	14th Aug.	Mr. E. M. Barry to Mr. A. Austin.	Recommending a tender from Mr. Imray, which he encloses.
6	16th Aug.	Mr. A. Austin to Mr. E. M. Barry.	Informing him that Mr. Imray's tender had been accepted.
7	17th Aug.	Mr. E. M. Barry to Mr. A. Austin.	Requesting the return of his specification and asking for authority to engage a clerk of works.
8	18th Aug.	Mr. A. Austin to Mr. E. M. Barry.	Returning specification and authorizing him to engage a clerk of works.
9	22nd Aug.	Mr. E. M. Barry to Mr. A. Austin.	Enclosing specification signed by Mr. Imray, and stating that a clerk of works had been appointed.
10	23rd Dec.	Mr. E. M. Barry to Mr. A. Austin.	Reporting the satisfactory completion of the works, and enclosing the accounts.

INDEXES

FOR INDEXING LEDGERS, RECORDS, ETC.

Having examined carefully the various Indexes in use for Ledgers, Records, etc., we are convinced that Schlicht's Standard Index is superior to any other, and we will here give an explanation of its use illustrated by cuts. The names are distributed into such a number of separate groups that any one of them may be seen at a glance. Thus Indexing and Reference are so easy and rapid that the system commends itself to business men and accountants as soon as understood.

FILING OF BUSINESS PAPERS.

The filing of Letters, Invoices, Bills, etc., should be so arranged that prompt reference could be made to any particular document. Among the various systems in use, the Improved Shannon Files and Filing Cabinet, cuts of which are given, best secures the object for which they are intended. They are made in different sizes, can be arranged for any class of correspondence, and are adapted to any requirement.

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The lettering shown by left-hand cuttings stands for the first letters of surnames or first part of corporate names. As will be seen from the cut, the letter B is divided according to the first two or three letters of same; each page is lettered to correspond with the names to go thereon. The capital letter B stands for the first letter, the following for the second, and the letters below for the third letters.

The letters occurring at different intervals on the page stand for the first letters of the given name—or first letter of second part of firm or corporate name, having no given name.

A few examples will illustrate this. Take the first name on page shown by cut, Albert Buyer; this name belongs on that page, the cutting of which contains the three letters Buy, corresponding to Buy in Buyer. It is written in the subdivision marked A B C D the A in which corresponds with A in Albert.

Sub-Divisions.	NAME.	PAGES.		Address or Remarks
A B C D	Albert Buyer	36	99	Chicago
	Daniel Busskirk	247		Rochester N.Y.
	Charles Buringer	85		Buffalo
	David Buxton	414		New York
	Buchanan & Co	197		Rome Ga.
	Byrnes Dwyer & Hudson	386		Rochester N.Y.
	A. H. Buck & Co	328		Nashville
	Butler & Buckley			Albany
E F G H I	Isaac Bunck	132	274 308	Portland Or.
	Edward Byrne	110		Boston
	Henry Byles	72		Harrisburg
	F. A. Bush	148		Springfield O.
	George Butler	412		Raleigh N.C.
	Butler & Field Co	138		Louisville
	Butah & Hill	187		New Orleans
	Hiram Busmi & Co	163		Sacramento
J K L	Lorenzo Baloki	190		Naples Italy
	Nate Byrd	291		Omaha
	John Byram	327		Denver

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Address and Remarks	Sub-Divisions	Name.	Pages.			Address or Remarks.
ieago						
chester N.Y.						
ffalo						
w York						
		Rusk & Jones	114	183	200	Galveston
		Pate & King	102			Rutland Vt
		Pate Bros & Co	401			Charleston S.C.
		Tuke Ewing & Co	938			Salt Lake
		John Byrne & Co	864			Selma Ala
ome Ga	M N O P Q R S & Extended Under	Robert Butts	492			Hartford
chester N.Y.		Peter Ryder	925			Augusta Me
ville		Norman Bynum	617			Washington D.C.
bany						
rtland Me						
ston						
rrisburg						
ringfield O						
leigh N.C.						
		James Marsh & Co	580			St Louis Mo
		Pattle & Nichols	667			Richmond Va
		Butler Mfg Co	632			Indianapolis
		Bynum & Olds				Columbus
	S T U V W X Y Z & 5 Extended Under	Simon Buttle	189	620		Detroit
		N. Austil	927			Milwaukee
		Y. Bushman	815			Creston Iowa
isville						
w Orleans						
cramento						
ples Italy						
maha						
nver						
		Rusch & Wilkes	780			St Paul
		V. Bynum & Co	110	581		Des Moines
		Bynum & Tucker	638			Little Rock
		Bynum & Young	700			Jacksonville Fla

B C D E F G H I J K L M N O P Q R S T U V W X Y Z EXTRA PAGES.

EXPLANATORY.

On the same page, and in the same subdivision, are also indexed such names as Buchannan & Co., the C in the subdivision $\frac{A\ B}{C\ D}$ standing for Co.; also Byrnes, Dugan & Hudson, the D in the same subdivision standing for Dugan.

Facility of reference may be increased by writing firm and corporate names from bottom and individual names from top of subdivisions as above.

The blanks under the heading "Extended Under" below the subdivision letters are seldom used. They are intended for use when a subdivision is filled, which rarely happens. They also make it possible to fill every line on the page without disturbing the ease of reference. In extending subdivisions the following directions are observed: Write names on same page in any subdivision having available space. But write in the narrow column to the left of said name the number of the subdivision to which the same belongs; and in one of the spaces under the head "Extended Under" write the number of the subdivision to which the name is carried. This permits such names to be readily found.

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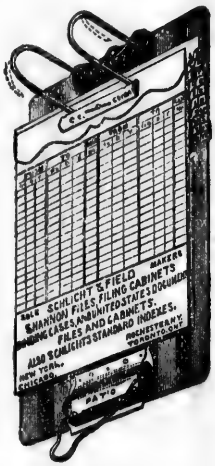
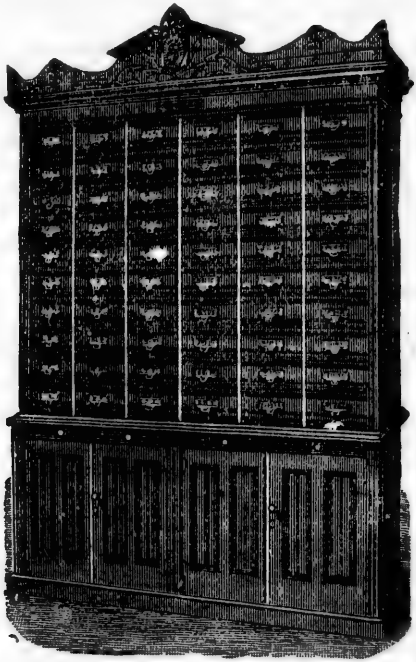
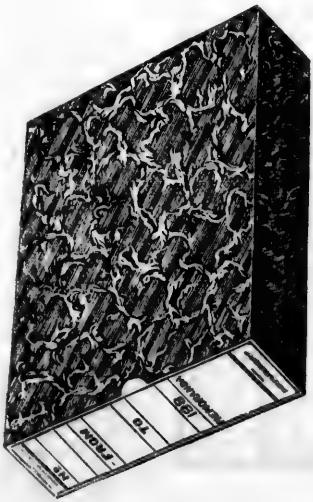


No. 4, A File.



60 Drawer Shannon Filing Cabinet with Base.



Closed Binding Case.

Cabinet File Drawer.

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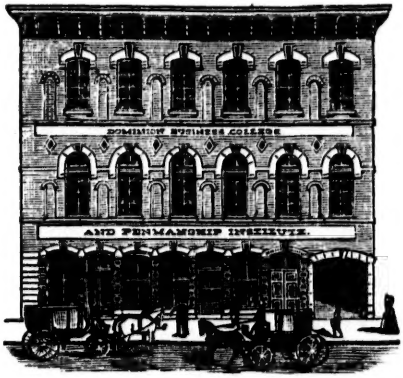

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